

Government that Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

BOROUGH OF SAYREVILLE

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GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Borough of Sayreville

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making state government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the state had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, Governor Whitman ordered the expansion of the program tripling its number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the Review Team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the Review Team, and agree to an open public presentation and discussion of the Review Team's findings and recommendations.

As part of the review, team members interviewed each elected official, as well as employees, appointees, members of the public, contractors, and any other appropriate individuals. The Review Team examined current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The Review Team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the Review Team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity with an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
BOROUGH OF SAYREVILLE**

Governing Body

Eliminating benefits for elected officials could save \$27,960.

Borough Clerk

Raising liquor fees could increase revenues in the first year by \$5,936 and by \$76,320 once the borough is able to move the fees to the maximum rate.

Administration

Hiring an assistant administrator could cost between \$60,000 and \$70,000. However, the savings realized from just improving purchasing practices will more than make up for the cost.

Legal

Contracting for oversight of legal contracts could, at minimum, break even with a \$20,000 expenditure on the service and a savings of \$20,000 because of knowledgeable oversight.

Paying the public defender per diem for one session per month could save \$10,800.

Insurance

If the borough requires the risk manager to provide the safety function it could save \$10,000.

Instituting light duty to return employees to work sooner could save an estimated \$10,000.

Limiting salary payments to the statutorily required 70% could save the borough approximately \$15,000.

Finance

Increasing accountability for purchasing could save at least 1% or \$110,000 of the other expenditure budget.

Tax Collection

Merging the utilities and tax collection operations would save approximately \$25,000.

Police

Reorganizing the police department to increase the number of patrol officers, decrease the number of high ranking officers and replace uniformed personnel with civilians could produce a net savings of \$80,870.

Promote existing dispatcher to dispatch supervisor at a cost of approximately \$3,000.

Reorganization of the ID bureau functions, as recommended, could save approximately \$45,930.

Purchasing a translator service could cost \$600.

Instituting Tele-service could produce a productivity enhancement valued at approximately \$12,625.

Enforcing the current alarm ordinance could produce a revenue enhancement of \$61,350.

Purchasing 87 octane fuel under state contract could save \$14,134.

Providing maintenance service on the senior bus during normal hours could save \$4,500.

Reducing fleet size by 12 cars could reduce maintenance by \$30,600 and produce a one-time revenue from the sale of the vehicles of \$18,000.

Reducing the number and use of cell phones could save \$13,000.

Rescheduling of existing vacation days could create a productivity enhancement of \$48,745.

Developing guidelines to reduce municipal court overtime could save \$10,000.

Eliminating captains' overtime could save \$7,621.

Organizational changes could reduce overtime by \$138,252.

Using training time effectively could produce a productivity enhancement of \$42,246.

Making the firearms range available to outside agencies could increase revenues by \$19,000.

Fire

Disposing of an excess ladder truck could produce a one-time revenue enhancement of \$150,000.

Eliminating maintenance on the ladder truck could save \$6,000 annually.

Selling two excess pumpers could produce a one-time revenue enhancement between \$10,000 and \$14,000.

Avoiding the purchase of a new pumper could produce a one-time cost avoidance of \$380,000.

Reducing the number of pumpers could reduce pumper maintenance by \$12,800.

Competitively bidding apparatus maintenance could save between \$6,601 and \$11,351 annually.

Renting President Park Hall could generate \$20,000 in additional revenues.

Emergency Medical Services (EMS)

Merging the two squads could produce a one-time savings of \$516,000 from not replacing the building, and a one-time revenue of \$65,000 from sale of the property. It would also produce an annual savings of \$25,087 in insurance and tax revenues.

Either not purchasing or reallocating the radio equipment could produce a one time cost avoidance of \$36,089.

Court

Eliminating structured overtime and meal allowances could save \$10,000.

Eliminating compensation for extra sessions could save \$5,250.

Public Works

Redrawing sanitation routes and schedules would enable the borough to sell two excess automated vehicles for a one time revenue enhancement of \$280,000 and an annual savings on maintenance costs of \$7,519. In addition, four excess conventional vehicles could be sold for a one-time revenue of \$32,500 and an annual savings on maintenance costs of \$10,732. In addition, three employees could be reassigned to roads for a productivity enhancement of \$134,691.

Eliminating free dumpster service for private businesses could reduce costs by between \$65,552 and \$103,378.

Revising the recycling center hours could save \$17,890.

Enforcing the existing ordinance establishing fees for the disposal of tires could generate \$2,300 in revenues.

Competitively contracting for street sweeping could save \$9,200.

Purchasing regular gas and diesel fuel under state contract could save \$12,960.

Consolidating vehicle maintenance and revising schedules could save \$30,000.

Water and Sewer Utilities

Consolidating the utilities under the DPW could save the cost of the utility director's salary and direct benefit costs of \$78,974.

Performing I/I remediation in-house could save \$16,000 on the service and net cost of \$140,000 to trade in the vehicle and purchase the appropriate vehicle.

Eliminating free septic clean outs could save between \$6,660 and \$9,850.

Revising stand by time for supervisors could save \$7,000.

Revising the work schedule for treatment plant operators could save \$25,000.

Adding an additional operator could cost approximately \$35,000 annually.

Welfare

Reducing the balance of the PATFI account could produce a one-time revenue of \$29,864.

Reorganizing, consolidating, or sharing services could save between \$12,169 and \$36,947.

Recreation

Eliminating half a clerical position could save \$14,767.

Increasing fees and decreasing the subsidy for athletics could save \$60,392.

Office on Aging and Senior Center

Contracting for all senior transportation with the county could enable the borough to eliminate a part time clerical position to save \$4,597 and reduce vehicle maintenance costs by \$1,801.

Sale of all of the buses would generate \$43,000 in one time revenues.

Eliminating the loop route entirely could save \$47,607 annually and eliminate the need for new radios costing \$12,915.

Code Enforcement and Inspection

Upgrading to the UCCARSII system could enable the office to eliminate one part time staff member to save \$11,047. This would also require a one-time expense of \$891.

Train staff to assist residents and maintain records reducing the need for one part time temporary costing \$6,916.

Engineering

Hire an engineer and staff for a value added expenditure of \$100,000.

Fire Prevention Bureau

Assure compliance for notice and follow-up to generate \$4,560 in revenues.

Enforce life hazard registration and enforce penalties to generate \$29,200 in registration fees and \$146,000 in penalties.

Collective Bargaining Agreements

AFSCME/SAMS

Renegotiating vacation benefits could produce a savings of \$21,225.

Eliminating longevity from contracts could save \$5,429 in the first year.

Removing terminal leave from the contract could reduce the borough's payment liability by \$4,000.

Communication Operators

Reducing sick leave to make it consistent with state policy could save \$37,319 annually.

Reducing personal days could save \$1,333 annually.

Reducing vacation days to be consistent with state policy could save \$7,730.

Eliminating extra holiday overtime could save \$5,776.

Eliminating longevity from the contract could save \$5,347 in the first year.

Changing to a quartermaster system for uniforms could save \$2,700.

PBA

Adjusting sick leave to hours consistent with the state could save \$110,261.

Reducing sick leave payouts to a \$15,000 maximum could reduce the borough's payment liability by \$5,000 per employee, or up to \$380,000.

Converting vacation time from days to hours could save \$223,281.

Eliminating the extra seven days' vacation pay could save \$70,000.

Eliminating the terminal leave provisions could save \$62,000.

Changing to a quartermaster system for uniforms could save \$23,400.

Eliminating longevity could save \$12,029.

Termination of life insurance policies for police officers could result in an estimated savings of \$25,264.

Health Benefits

Instituting a 20% co-pay for health insurance could increase revenues by \$122,816.

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,
AND LOCAL TAX RATE WITH RECOMMEND REDUCTION IN
THE BOROUGH OF SAYREVILLE**

<u>Areas Involving Monetary Recommendations</u>	<u>Onetime Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Governing Body				
Eliminate benefits to elected officials			\$27,960	
				\$27,960
Borough Clerk				
Raise liquor license fees		\$5,936	\$76,320	
				\$5,936
Administration				
Hire an assistant administrator		(\$60,000)	(\$70,000)	
				(\$70,000)
Legal				
Contract for legal oversight		\$20,000	(\$20,000)	
Pay the public defender per diem, one session			\$10,800	
				\$10,800
Insurance				
Risk manager provide safety function			\$10,000	
Institute light duty			\$10,000	
Workers compensation			\$15,000	
				\$35,000
Finance				
Increase accountability for purchasing			\$110,000	
				\$110,000
Tax Collection				
Merge utilities and tax collection operations			\$25,000	

\$25,000

Police

Reorganize with suggested table of organization			\$80,870
Promote existing dispatcher to supervisor			(\$3,000)
Reorganization of ID Bureau			\$45,930
Translator service			(\$600)
Institute Tele-service			\$12,625
Enforce current alarm ordinance			\$61,350
Purchase 87 octane fuel under state contract			\$14,134
Service senior bus during normal hours			\$4,500
Reduction of fleet from sale of vehicles	\$18,000		
Reduction in maintenance cost			\$30,600
Reduce the number and use of cell phones			\$13,000
Reschedule existing vacation days			\$48,745
Develop guidelines to reduce municipal court OT			\$10,000
Eliminate captains overtime			\$7,621
Implement organization changes regarding overtime			\$138,252
Utilize training time effectively			\$42,246
Utilize firearms range for outside agencies			\$19,000

\$543,273

Fire department

Sell excess ladder truck	\$150,000		
Eliminate ladder truck maintenance			\$6,000
Sell excess pumpers	\$10,000	\$14,000	
Avoid buying new pumper cost avoidance		\$380,000	
Reduce pumper maintenance			\$12,800
Bid apparatus maintenance		\$6,601	\$11,351
Rent President Park hall			\$20,000

\$585,401

Emergency medical Services (EMS)			
One time savings not replacing building	\$516,000		
Sale of property	\$65,000		
Reallocation of radio equipment	\$36,089		
Annual savings, insurance, tax on land		\$25,087	
			\$642,176
Court			
Eliminate structured overtime and meal allowance		\$10,000	
Eliminate compensation for extra sessions		\$5,250	
			\$15,250
Public Works			
Sell excess vehicles	\$280,000		
Reduced maintenance cost		\$7,519	
Sell excess vehicles	\$32,500		
Reduced maintenance cost		\$10,732	
Reassign three workers		\$134,691	
Eliminate private dumpster service	\$65,552	\$103,378	
Revise recycling center hours		\$17,890	
Enforce existing ordinance for disposal of tires		\$2,300	
Contract for private street sweeping		\$9,200	
Purchase regular gas and diesel fuel from state contract		\$12,960	
Consolidate vehicle maintenance and revise schedules		\$30,000	
			\$603,344
Water and Sewer Utilities			
Consolidate with DPW		\$78,974	
Perform I/I program in-house		\$16,000	
Purchase of appropriate equipment	(\$180,000)		
Equipment trade in	\$40,000		
Eliminate free septic clean outs		\$6,660	\$9,850

Revise stand by time for supervisors			\$7,000	
Revise work schedule for treatment plant operators			\$25,000	
Add additional operator			(\$35,000)	
				(\$41,366)
Welfare				
Reduce balance of PATFI account	\$29,864			
Reorganization, consolidation, or shared service		\$12,169	\$36,947	
				\$42,033
Recreation				
Eliminate half-time clerical position			\$14,767	
Increase fees and decrease subsidy for athletics	\$60,392			
				\$75,159
Office on aging and Senior Center				
Eliminate part time clerical			\$4,597	
Eliminate maintenance on vehicle			\$1,801	
One time revenue from sale of vehicles	\$43,000			
Eliminate loop route			\$47,607	
Cost avoidance, new radios for vehicles	\$12,915			
				\$109,920
Code Enforcement and Inspection				
Upgrade to UCCARSII system			\$11,047	
One time cost for system upgrade	(\$891)			
Train staff to assist residents and maintain records			\$6,916	
				\$17,072
Engineering				
Hire engineer and staff, value added expense			(\$100,000)	
				(\$100,000)
Fire Prevention Bureau				
Assure compliance for notice and follow-up			\$4,560	

Enforce life hazard registration and enforce penalties	\$29,200	\$146,000	
			\$33,760
Collective Bargaining Issues			
AFSCME/SAMS			
Renegotiate vacation benefits		\$21,225	
Eliminating longevity from contracts		\$5,429	
Terminal leave out of contract (liability reduction)		\$4,000	
			\$30,654
Communication Operators			
Reduce sick leave		\$37,319	
Reduce personal days		\$1,333	
Reduce vacation days		\$7,730	
Eliminate holiday overtime		\$5,776	
Eliminate longevity for contract		\$5,347	
Change to quartermaster system for uniforms		\$2,700	
			\$60,205
PBA			
Adjust sick leave to hours consistent with state		\$110,261	
Reduce sick leave payout to 15,000 max (liability)		\$5,000	
Convert vacation time from days to hours		\$223,281	
Eliminate extra 7 vacation day pay		\$70,000	
Eliminate terminal leave from contract		\$62,000	
Change to quartermaster system for uniforms		\$23,400	
Eliminate longevity from contract		\$12,029	
Termination of life insurance policy		\$25,264	
			\$531,235
Health Benefits			
Institute 20 percent co-pay for health insurance		\$122,816	
			\$122,816

Total Recommended Savings

\$1,492,869

\$1,177,849

\$744,910

\$2,670,718

* \$744,910 not included in savings of \$2,670,718.

**Total Amount Raised for Municipal Tax
Savings as a % of Municipal Tax**

**\$10,667,214
25.0%**

**Total Budget
Savings as a % of Budget**

**\$31,652,455
8.4%**

**Total State Aid
Savings as a % of State Aid**

**\$11,897,143
22.4%**

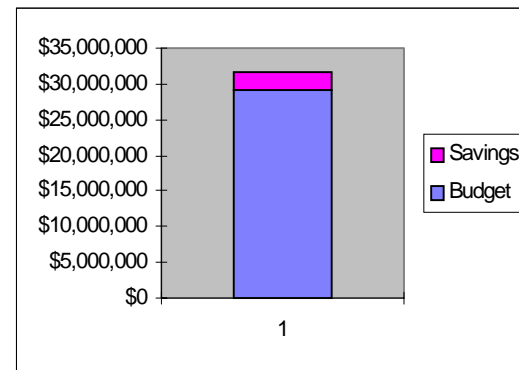
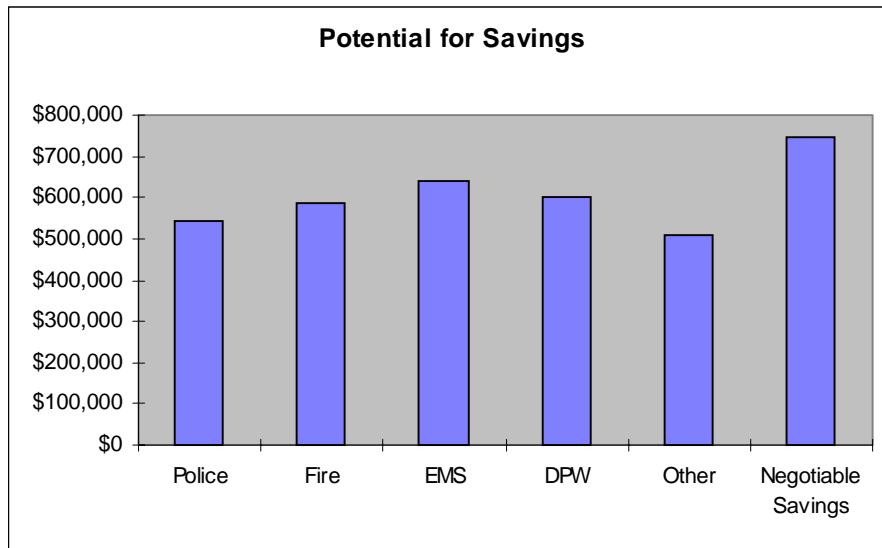


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COMMUNITY OVERVIEW

The Borough of Sayreville is a 17.1 square mile waterfront community in Middlesex County with a 1990 census population of 34,986 and an estimated current population approaching 37,000. The borough's population grew 17% from 1980 to 1990 and is estimated to have grown almost 6% since the last census. Sayreville is a close knit community which has strong roots and significant volunteer support of services.

Sayreville's 1990 median family income was \$52,367, slightly higher than the average for the county, which is \$51,835 and the state, which is \$47,589. At the same time the per capita income is lower than the county and state averages of \$18,714 at \$18,297. The median home value of Sayreville is \$156,800, less than the average for the county of \$164,700 and the state of \$162,300. The 1997 equalized valuation was \$2,120,048,380.

1997 expenditures for the borough were \$31,712,454 and the borough had 220 full time employees in 1997.

Until 1986 the borough offset the need for property taxes to support the municipal operations with gross receipts revenues. Since 1986, with municipal operating costs outpacing gross receipts, Sayreville has experienced significant growth in the local tax rate including a 77% increase between 1995 and 1996 from .30 to .53 in 1996. Even with that increase, Sayreville has the fourth lowest adjusted total tax rate in the county and has the fifth lowest local tax rate in the county.

I. BEST PRACTICES

A very important part of each Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices which are noteworthy and deserving recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and, possibly, save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of cost effective effort. The following are those best practices recognized by the team for their cost and/or service delivery effectiveness.

Reuse of Equipment

When the Morgan First Aid Squad needed to replace its oldest ambulance, the squad had the vehicle manufacturer evaluate the old ambulance before purchasing a new ambulance. The manufacturer determined that it would be cost effective to do a remount of the old body onto a new chassis. The squad saved \$25,000 - \$30,000 by remounting the old body onto a new chassis. This was accomplished through cooperation with the manufacturer and leadership committed to making the best use of resources.

The department of public works converted a conventional garbage truck that had been replaced by an automated truck into a heavy duty plow truck. This type of vehicle was needed by the road department but had not been purchased because of funding restrictions. This conversion was done in-house utilizing an existing salt spreading system that was previously mounted in a tandem dump truck during the snow season. This limited the use of the dump truck while it was configured this way. The conversion cost of \$3,600 for materials resulted in a vehicle that would have cost \$90,000 to purchase. There are plans to utilize another excess chassis by purchasing several types of bodies on a roll-on, roll-off configuration.

Mulch

Wood chip mulch used by the borough around the parks and the playground areas is collected by the borough for free. Tree contractors working in the borough deposit the chips at a designated site and the borough workers turn the piles to prepare the mulch for use. The contractors are happy to dispose of the chips for free and the borough gets a product for which they would normally have to pay. The price for this product varies between 50 to 60 dollars a ton. They use about 110 tons a year. This program has saved the borough approximately \$5,500 annually.

Adopt-a-Spot

The public works department oversees an Adopt-A-Spot program. The department has identified eleven sites in the borough that need maintenance. Organizations and businesses select a site, develop it, landscape it and maintain it. The site is then identified with a sign crediting the

organization. The parks division oversees the plans for the sites to ensure the site will not require significant maintenance in the event the site is abandoned. No site has been abandoned to date. The volunteers receive additional recognition through an annual contest.

DWI Enforcement

The police department traffic bureau schedules and administers the DWI overtime program. This is funded by the state surcharge money that is paid by convicted drunk drivers and returned to the department by the state through the Drunk Driving Enforcement Fund (DDEF). The traffic bureau chooses to participate with the Middlesex County Prosecutor's Office Fatal Accident Investigation Unit to stage check points within the borough. Together they target key traffic areas for enforcement and are able to field a more effective force than if the Sayreville Police Department did this alone. The department benefits by maximizing the number of officers at the checkpoint site and is reimbursed by the county at a rate of \$25 per hour per officer. This increases the productivity of that money by more than 50% since the average overtime rate would be \$39.83.

Contracted Service

The fire department contracts with the East Brunswick Fire District #1 for fire service coverage for the area of the borough west of Jernee Mill Road. The service costs the borough \$7,500 annually. The distance from the East Brunswick department to this area is 1.2 miles, the distance from Engine Co. 31 to the area is 4 miles, the distance between President Park Station and the area is 4.5 miles.

Technology

Another example of the borough's customer service orientation is seen in the borough's web site. The borough has a media advisory board of volunteers who donate their services as caretakers of the site. The web site is filled with information on current events, borough council, contacts, media advisory board, planning board, zoning, commission for the disabled, recycling, taxes, public library, place of worship, help wanted and assorted internet links. Additionally, the borough master plan can be viewed at the web site. This provides potential residents and corporate investors with comprehensive information about the community and its future development.

Public Works

The director has instituted a complaint log that is maintained in the office and is used to generate written work orders to the respective divisions. The complaint log lists the complaint along with the address and phone number, so the foreman can contact them if more information is needed. The specific complaint and the action taken, along with the workers assigned, are also listed. This log showed 1,200 complaints in 1997. The director also requires weekly and monthly reports from the divisions to show productivity/work load and personnel actions.

Weekend Library Hours

The Sayreville Public Library is open seven days per week in the winter as the result of some very effective priority setting and creative staffing. The library was able to open for four hours on Sundays by shortening Saturday hours and staffing Sundays using a temporary agency that

specializes in library staffing. Sunday staff has the same responsibilities as other staff as far as completing back office work and providing customer service. The operation's success demonstrates that many of the reservations about using temporary employees for public service may be unfounded.

Yard Waste

The borough has used a grant to give \$25.00 vouchers toward the purchase of a mulching mower or a mulching blade conversion kit. This has resulted in 260 purchases or conversions of mulching mowers.

II. OPPORTUNITIES FOR CHANGE/RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the municipality and its taxpayers.

In its study, the review team found Sayreville makes a conscious effort to control costs and to explore areas of cost savings in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted, as appropriate, in the findings to follow. The municipality is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that would result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control, and revenue enhancement.

One of the fundamental components of the team's analysis is identifying the true cost of a service. To this end, the team prepares a payroll analysis that summarizes personnel costs by function and attributes direct benefit costs to the salary of each individual. This figure will always be different from payroll costs in the budget or in expenditure reports because it includes health benefit, social security, pension, unemployment and other direct benefit costs.

GOVERNING BODY

The governing body is a borough council consisting of six council members and a mayor elected at large. Each council member serves a three year term with two members being elected each year. The mayor serves a four year term. The mayor presides over the council and the council members serve on standing committees that develop policies for their specific departments.

Each council person and the mayor received a salary of \$5,712 in 1997. The total cost of council salaries and benefits was \$71,128. The cost of clerical support for the mayor is \$10,650. Some council members receive health benefits adding a total of \$27,960 (39%) to compensation costs.

Recommendation:

Consider eliminating the policy of providing health benefits to elected officials.

Cost Savings: \$27,960

Sayreville is an extremely close knit community in which there is a long history of volunteer service and community involvement. The result of this is a set of elected officials who appear to be sincerely interested in doing what is best for their community, a large number of borough employees related to council members and a high degree of sentimentality when the very difficult decisions must be made. This last characteristic is not necessarily negative but clearly influences the rate at which changes are made, and affects the prioritization of initiatives. This characteristic is well balanced, in most instances, by the authority and stability given to the position of business administrator.

An area in which it appears to the team that the community would be better served by insulation from the politics of the council is the police department. The Borough of Sayreville Municipal Code 4-1 designates the mayor and council as “the appropriate authority” in accordance with N.J.S.A. 40A:14-118. As such, the chief is “directly responsible to the appropriate authority for the efficiency and routine day to day operations thereof ...” Because the borough has a professional business administrator and, because, police department operations comprise 21% of the borough’s operating budget, the council would be well served by delegating the role of appropriate authority to the business administrator and, thus, increasing the police department’s accountability on a day to day administrative basis. In turn, the appointment of the business administrator by the mayor and council provides an adequate degree of accountability to assure that the business administrator will comply with council established policy, while adhering to appropriate management and administrative procedures and techniques.

Recommendation:

It is recommended that borough council amend the municipal code to designate the borough administrator as the appropriate authority for the police department.

BOROUGH CLERK

The borough clerk is appointed to a three year term by the mayor and council. The clerk’s responsibilities include:

- serving as the clerk to the council, recording minutes and preparing agendas;
- recording all ordinances and resolutions;
- serving as custodian of all records not otherwise committed by ordinance to another department;

- serving as the depository of all contracts, performance bonds, and leases;
- maintaining record copies of all administrative rules and regulations; and
- staffing and providing administrative support for three elections annually.

\$234,230 was expended on salaries, direct benefits, temporary salaries and overtime for the operation of the clerk's office.

Staffing and Organization

The borough clerk's office consists of a clerk, a deputy clerk, and four clericals. One clerical is assigned to personnel processing 80% of the time and a second clerk splits her time between the clerk's office and providing administrative support to the mayor 25% of the time. This staff receives additional support from four temporary clericals. The advantage of the configuration is that, although, two staff members have other responsibilities, they are available to provide back up on the phones or at the counter in order to assure availability of the staff to the public.

Document Maintenance

Codification was three years behind but was completed through the December 17, 1997 meeting as of July 1, 1998. There is no contract for the service, the vendor bills as revisions are submitted, and no expenditures were identified for the vendor for 1997. However, the three year codification update was completed for \$11,000.

Recommendation:

It is recommended that the borough contract for codification services and that revisions be submitted to the vendor on a timely basis.

It was the experience of the team that the ability to find contracts and documentation regarding various matters was limited and inconsistent. It was not clear that the problem rested solely with the clerk's office; rather, it is another example of the issues raised by a loose and undirected purchasing system.

Recommendation:

It is recommended that every effort be made to maintain complete and up to date contract files.

Fees and Licenses

In addition to the duties enumerated above, the clerk's office issues the following licenses and collects the requisite fees handling a total of more than \$282,000.

	Total Collected
Dog	\$35,334
Cat	\$5,354
Liquor Transfer	\$336
Liquor Renewal	\$30,020
Auctioneer	\$200
Bingo/Raffle	\$3,110
Business Renewal	\$2,455
Business Relocation	\$550
New Business	\$4,561
Taxi	\$350
Amusements	\$19,683
Peddler	\$1,165
Trailer	\$4,960
Horse Stabling	\$30
Wreckers	\$1,075
Road Openings	\$3,113
Other Fees	\$63,328
Total fees/licenses	\$175,624
Developer Security	\$106,767
Total Handled	\$282,391

The fee ordinance was reviewed and revised in 1997 and the fees, with the exception of the liquor license fees, appear to compare favorably with the fees charged by neighboring municipalities identified through the New Jersey State League of Municipalities survey of license fees.

The alcohol beverage license fees have not been increased since 1989 and stand at \$560 for consumption and distribution licenses and \$85 for club licenses. This is versus a statutory maximum of \$2,000 for distribution and consumption and \$150 for club. Sayreville's ABC license fee is higher than only one other community in Middlesex County. The statute allows an increase of 20% per year up to the maximum. It will take the borough seven years to get to the maximum. The borough is losing \$76,320 in revenues for every year the fees are less than maximum because it had not consistently reviewed and revised the fees.

Recommendation:

It is recommended that Sayreville review and revise its liquor license fees annually and raise them to the maximum allowed by statute.

**Revenue Enhancement: \$5,936 (in first year)
\$76,320 (in seven years at maximum fee)**

Elections

All members of the clerical staff provide support for three annual elections. Total expenditures for 1997 were \$24,138. In 1997, the borough joined with eleven other Middlesex municipalities to advertise the sample ballots paying \$200 instead of \$2,000.

The borough is commended for cutting costs by cooperating with other communities.

ADMINISTRATION

The office of the business administrator consists of the business administrator, an executive assistant, who has the unclassified title of confidential secretary, and a messenger. The total salary costs for the office were \$136,097, direct benefit costs were \$26,455 overtime costs were \$3,550 and other expenditures were \$39,596, for a total of \$205,638.

According to the municipal code of Sayreville, a business administrator is appointed by the mayor with the advice and consent of the council. The current administrator was appointed in September 1994 to replace an individual who was functioning as both the CFO/treasurer as well as the business administrator. The code authorizes removal by a two thirds majority vote of the council and requires either three months' notice or three months' severance pay. This is a significant provision in that it allows the business administrator to operate in a manner sensitive to, but not governed by the political moods of the council. It is evident that the business administrator, partially due to this provision, has been able to implement the difficult and frequently politically unpopular decisions that have been required for Sayreville to improve the efficiency and effectiveness of its municipal operations, over the last few years.

The business administrator's responsibilities as enumerated in the code are:

- direct and supervise all operations through the directors and supervisors of the departments in accordance with the policies established by the mayor and council;
- serve as "chief of staff" for the mayor implementing or supervising the implementation of the council's and mayor's policy decisions;
- monitor department activities to assure compliance with ordinances and policies;
- direct the preparation of the annual budget and present budget proposals to the mayor and council;
- oversee the administration of all aspects of personnel;
- attend all council meetings and presents reports and information as requested;
- serve as primary representative in negotiation with employee bargaining units;
- establish and develop standards and procedures for all internal management policies to generally enhance management efficiency; and
- assign and transfer personnel as required.

The administrator's office is also directly responsible for all personnel activities, health benefits, and insurance. In addition, construction, planning and zoning are currently, temporarily overseen by the administrator.

Recommendation:

There are several areas of support services in need of concentrated and direct attention in order to build upon the progress already made. The needs are discussed throughout this report and the areas are: purchasing, personnel, technology and financial information/back up. Although these are diverse areas, they are critical enough, in the team's opinion, in this specific situation, to warrant the appointment of an assistant administrator who as an experienced generalist would have the ability, under the direction of the administrator, to further develop and monitor, systems, procedures and solutions to these very critical administrative issues. If the only contribution this person makes is to improve the purchasing process to save a mere 1% of the other expenditures line, the position will be more than paid for. An estimated compensation for this position is \$60,000 - \$70,000 in salary and benefits.

Value Added Expense: \$60,000 - \$70,000

TECHNOLOGY

The borough administrator and the borough's chief financial officer are responsible for all technology related issues. There is no current baseline inventory of technological equipment.

A cursory review established that there are approximately 49 personal computers (PCs) and three PCs with internet access in the borough. The PCs are all IBM compatible, DOS Windows 3.11 or Windows 95 hardware. The software found in the borough varied from WordPerfect 6.1, Lotus 5.0, Groupwise 4.1, Word and Excel. The borough also has approximately 39 printers and three scanners. There are three network servers: Netware 3.12, Netware 4.11 and the Computer Aided Dispatch (CAD) system. The finance, tax, water and sewer departments run off a NCR mini-computer system.

Recommendations:

It is recommended that the borough compile a complete computer inventory including: hardware manufacturer, model, serial number, software version, networks, scanners, fax machines and copiers.

It is recommended that the borough adopt a specific set of software to be used by all operating entities in order to assure compatibility across departments.

Organization and Staffing

The borough had a computer consultant that was used on a piece-meal basis to address computer related matters as they arose. This firm, NPN Associates, was contracted to provide products and services in the area of network set-up, as well as servicing and support of the technological equipment. In 1997 NPN Associates provided the borough with \$32,383 in products and services. However, the borough used 14 other vendors for technological purchases and maintenance, which amounted to approximately \$66,604 in 1997, for a total of \$98,987.

In mid-1998 the borough contracted with Nuware Technology, Sayreville, New Jersey to provide computer and technical support, as well as training of borough employees. NPN Associates no longer assists the borough in the area of technology.

Recommendation:

It is recommended that one individual assume responsibility for the coordination and direction of all aspects of management information systems. This individual should be willing to coordinate, purchase and maintain hardware and software and, also, be responsible for coordinating training and policy development.

Technological Initiatives

The borough has a web site that provides information on current events, borough council, contacts, media advisory board, planning board, zoning, commission for the disabled, recycling, taxes, public library, places of worship, help wanted, and assorted internet links. The Media Advisory Board, made up of volunteers, is responsible for designing and maintaining the borough's web site.

The borough does not have a written technology plan that includes timeframes or budgets. The administrator feels he knows the components of a good technology plan and, given time, he will be able to employ them. The year 2000 date change also calls for specific technological changes in the borough. The financial officer has made some preliminary decisions as to the system changes that need to be made, however, has not begun to implement these changes.

The borough is commended for its use of the web site as a means of communicating with its residents. It is an excellent means of encouraging community development.

Recommendations:

The borough is encouraged to develop a formal technology plan involving representatives from all departments and the elected officials. At minimum, the plan should include a needs assessment, time frames for completion and estimated expenditures.

As time is running out on year 2000 changes, the borough is encouraged to solidify plans for the needed system changes.

LEGAL

During 1997, the team identified a total of \$639,051 in legal expenditures for the Borough of Sayreville. Of that amount, \$440,000 appears to be for legal work relating to suits involving the borough. Approximately \$78,000 was for bond counsel, \$96,000 for labor counsel, about \$19,000 for tax appeals, and \$6,000 for planning and zoning board work.

A significant factor affecting legal costs is a variety of environmental issues outstanding, these include Landfill III, which is to be completed in 1998, and the Disch Dredge site, which is of concern to the community because there have been attempts to have it permitted to accept dredge spoils from outside Sayreville. Although it is not borough owned property, it is in the borough's interest to assure the use of the property is not such that it negatively impacts the quality of life or reduces property value in the area.

The level of expenditure for legal work is of some concern. The cost of \$440,000 is significant and could, potentially, be reduced by creating an in-house counsel and legal staff. The negative aspect of this approach would be a reduction in flexibility in terms of both expenditures made – (salaried staff costs will always escalate) -- and in terms of expertise available. A concept currently being pursued by the Middlesex County Municipal JIF is the use of a contract agency to provide oversight of legal activities. The contractor would review all bills and compare them to normal and customary practices and costs, and assure accountability on the part of the firms retained by the borough.

The team believes that such oversight and tracking of legal expenses will enable borough officials to better understand which costs relate to specialty law and which costs can be considered the result of routine legal work. Once that information was available, a decision could be made about whether in-house legal counsel would be more cost effective.

Recommendation:

It is recommended that the borough explore the possibility of contracting with a firm specializing in legal services oversight. Subsequent to a period of oversight, the team believes that whether or not there should be a different composition of in-house legal services versus outside contracted legal services will become clear enough for the council to make an informed decision. The team believes that the cost of oversight will be paid for through improvements in the control over the expenditures. The following estimates were provided by the JIF regarding this issue.

Value Added Expense: 5% or \$20,000
Cost Savings: 5% or \$20,000

Other Legal Staff

As required, there is one borough prosecutor, who is required to be present for all court sessions. The municipal prosecutor was always present, prepared for his cases and ready to proceed on all matters. The prosecutor also assists with the records management pertaining to the discovery

process. In addition to his court duties, from time to time the prosecutor assists the police officers with probable cause situations. The prosecutor received a total of \$33,898 in salary and benefits.

N.J.S.A. 2B:24-1 et seq. requires that each municipality in the State of New Jersey have at least one public defender appointed by the governing body of the municipality. Sayreville did adopt an ordinance, however, the borough had not yet appointed a public defender in accordance with the New Jersey State Statute, Municipal Public Defenders Law 2B:24-1 et seq. The application for the public defender includes a fee schedule designed to offset the costs incurred to the borough for this appointed position. The team learned that the borough was in the process of preparing a salary ordinance to appoint a public defender with a salary of \$18,000. Another community has handled this requirement in a different way that appears cost effective. Hillside has developed a system and policy that requires the court administrator to schedule cases requiring a public defender for the same session, potentially just one per month, and pays the public defender on a per diem basis at a rate of \$300 per session.

Recommendation:

It is recommended that Sayreville adopt a policy paying the public defender on a per diem basis and consolidating those cases requiring a public defender into one session per month if this can be done without increasing police overtime.

Cost Savings: \$10,800

INSURANCE

Sayreville joined the Middlesex County Municipal Joint Insurance Fund in 1996. The JIF is a statewide JIF and requires participation in all coverages offered and the commitment by the municipality is for three years. The coverages provided include property and casualty, liability, workers' compensation and automobile. The JIF has a library of 140 training films and offers relevant courses to the JIF participants at no charge. The 1996 costs of participating in the JIF were \$670,654 and the 1997 costs of participating in the JIF were \$694,127. The borough paid an additional \$25,000 in each year for claims administration.

Risk Manager/Safety

The premium paid to the JIF covers the cost of a risk manager who is selected by the borough. The borough's risk manager was recently given specific responsibility for preparing the continuing information package for the JIF each year, conducting comparative rate studies, and analyzing other options as they become available. At the same time, the borough has solicited proposals for a safety consultant to run monthly safety meetings and coordinate training. They received one proposal for approximately \$10,000 and have been unable to generate additional proposals.

Recommendation:

The team believes that the safety function is consistent with the risk manager role and that the appropriate solution to more directly addressing the issue of safety in the borough is to have the risk manager provide those services as part of its existing agreement.

Cost Savings: \$10,000

Workers' Compensation

Looking at workers' compensation loss statistics for 1995, 1996 and 1997 it is clear that both the number of incidents and the number of lost days have improved significantly. The approximate indemnity based on 1995 experience is estimated to be \$50,000.

	1997	1996	Change 96-97	1995	Change 95-96	Change 95-97
Injuries w/o lost days	28	27	4%	37	-27%	-24%
Injuries w/lost days	17	23	-26%	37	-16%	-54%
Days lost	354	724	-51%	471	54%	-25%

In 1997, four departments had injuries with lost days. The police department and public works department routinely experienced the most injuries and lost time. The borough does not currently use light duty as a means of returning people to work quickly. This type of policy can be effective in that it provides at least some return on the salary paid but it also serves as an incentive for people to get back to regular duty more quickly. This could save approximately 20% of the indemnity costs.

Recommendation:

It is recommended that Sayreville work with its JIF to develop a light duty policy that enables them to return employees to light duty as soon as appropriate.

Cost Savings: \$10,000

The JIF began using a company to manage the workers' compensation claims in October of 1997. The contract was based on a 20% reduction in lost time and a 40% reduction in medical costs. The full impact of this contract should be seen in 1998.

The borough pays 100% of the salary for up to a year for workers' compensation when it is only required to have the 70% coverage provided by workers' compensation. One of the issues with 100% payments is that it removes the incentive for an injured employee to return to work. Elimination of this benefit would save at least 30% of the indemnity costs.

Recommendation:

It is recommended that the borough limit payments to that covered by workers' compensation insurance.

Cost Savings: \$15,000

PERSONNEL

The personnel function is performed by the borough administrator with the support of one clerical staff member in the borough clerk's office, for 80% of her time. The salary, direct benefit and overtime costs of the clerical position was \$35,872 in 1997. The clerical staff member processes all forms from applications through reporting to the New Jersey Department of Personnel (NJDOP). In recent years, Sayreville, with limited resources, has made great strides toward creating a professional and effective personnel function. Underlying this progress is a commendable commitment to the concept that a well selected and well developed staff is the fundamental basis for delivering high quality and cost effective services.

Staffing

The borough employed approximately 220 full time employees including 78 police, 39 part time employees, and more than 170 temporary employees during the course of 1997. As of January 1, 1998, there were 216 full time employees and 34 part time employees. Faced with severe fiscal constraints, the council imposed a hiring freeze in 1995. This freeze has meant that, except for police, no vacancies have been filled with permanent full time people. The impact on the borough's payroll was a decrease of 43 full time positions since 1991. What is noteworthy is the fact that this has been accomplished through attrition and/or transfers without any layoffs. In addition, the number of part time employees is the same in 1998 as it was in 1991, at 34. This has been accomplished through various productivity improvements without a decrease in service.

New Jersey Department of Personnel (NJDOP)

Sayreville employees are regulated by the New Jersey Department of Personnel (NJDOP), and therefore, the borough must comply with the NJDOP's hiring and promotional procedures. The most recent listing from the NJDOP indicates 247 full time and part time permanent employees and nine provisionals. In addition, there are 37 unclassified positions reported to NJDOP, which include part time board appointments among other regular unclassified positions, such as confidential secretary and department head. Sayreville uses the NJDOP's automation system and therefore, has access to current information and is effective in maintaining current records with the NJDOP.

As a civil service community, it is incumbent upon the borough to actively manage hiring and promotions to assure development of quality employees and to assure the ability to appoint those they believe most capable of doing the job. The team was made aware of one circumstance where a provisional was determined by NJDOP to be ineligible for a promotion to which he appeared very qualified, either because of the timing of the promotion or because the application

was not reviewed and completed in as much detail as is required to demonstrate qualifications. Either of these issues could have been addressed if there were someone familiar with the nuances of the system actively reviewing and managing the process.

Recommendation:

It is recommended that a professional staff member be identified and designated for actively managing the certification process and the development of employees.

PERSONNEL POLICIES

The Borough of Sayreville adopted a revised employee handbook effective October 1, 1996. This manual thoroughly covers relevant personnel policies and includes an acknowledgment of receipt to be signed by the recipient.

Compiling policies, gaining legal review and governing body approval takes a great deal of initiative and commitment on the part of both the administrative staff and the elected officials. Sayreville has accomplished this in an exemplary fashion and is commended for its employee handbook.

Performance Evaluations

According to the employee handbook, performance evaluations are “conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths and discuss positive purposeful approaches for meeting goals.” To assure the effectiveness of these instruments, the information is shared between the supervisor and the employee and then sealed and placed in the employee’s file. By not making the information available in the file or to superiors or elected officials, both the supervisor and employee can earnestly and honestly discuss goals and needs without it affecting the public’s or elected official’s perception of the employee.

The borough is commended for implementing a constructive employee evaluation and development process.

Hiring Procedures

The borough appears to have implemented consistent and thorough hiring procedures, which include assuring that candidates for employment sign all appropriate releases and acknowledge officially such fine points as the meaning and implications of a provisional appointment.

Sayreville is commended for its detailed and well documented hiring procedures.

Salaries

A comparison of department head salaries to those reported to the New Jersey League of Municipalities for responding Middlesex County jurisdictions with populations similar to Sayreville’s showed that the salaries are generally comparable. In addition, Sayreville saves significant salary amounts in health and recycling by regionalizing and/or using part time

employees. Health officer salaries reported were between \$40,163 and \$71,771. Sayreville's health director costs zero because they have a regional contract for services. Full time recycling salaries were between \$33,119 and \$63,822, while Sayreville's very effective part time coordinator is paid \$11,089.

The one salary that is high in comparison to a median of \$69,124, is that of the Treasurer/CFO, whose reported 1997 gross salary was \$90,388 and adjusted for the 27th pay would have been \$87,041, or 26% above the median.

It is the practice of the current administrator to do a salary survey when filling a new position or setting a salary. This is commendable and reflected in the comparability of the salaries being paid in Sayreville to those of similar communities in the county.

FINANCE

The finance department consists of a CFO, a principal account clerk, typing/assistant, treasurer and four clerical staff members. The office is responsible for all treasury, finance and budget functions including purchasing and payroll. Two and one-half full time equivalents (FTEs) are responsible for purchasing and accounts payable and one person is responsible for payroll. The total 1997 salary costs of the department excluding payroll costs and including direct benefits are \$314,660. Other expenses were \$49,867 and \$45,000 for the audit, for a total cost of \$409,527.

Audit

The audit for the Borough of Sayreville has been performed by Ernst and Young for the last three years. Sayreville switched back to Samuel Klein for the 1997 audit. A review of audits from 1994, 1995 and 1996 showed a decrease in the number of comments from 13 to 12 to 9. However, all but two of the nine comments for 1996 were repeated and of those, five were repeated for each of the three years reviewed. The persistent comments, the corrective actions developed by the borough, and the team's observation about the status of the comments are summarized below.

- **Expenditures exceed bid threshold and do not comply with NJ statutes:** Monitoring system has been put in effect to prevent exceeding threshold. The team is not confident that the letters of purchasing laws are complied with.
- **Investigate old trust deposits:** The borough attorney and borough engineer are continuing to review deposits and cancel them as appropriate.
- **Have a fixed asset inventory:** The lack of a fixed asset inventory has been an ongoing issue which was not resolved by the time of the team's review. The explanation for this is inadequate staffing.
- **Have key financial staff members take two weeks vacation:** This is not done because it is believed that it would require additional staff.
- **All amounts due to the state should be remitted by the 10th of the month:** It appears that this deadline is being met more consistently.

- **All fees collected by recreation should be in accordance with the borough fee ordinance:** The fee ordinance was reviewed and revised and thus the collection of fees is now consistent with the ordinance.
- **Appoint a police liaison for purposes of improving court scheduling and control of ticket books:** A police officer was designated, however, the team did not see evidence of an active effort to improve court scheduling and ticket control.
- **Formulate a policy of succession for key borough areas especially finance:** The governing body is studying this issue.
- **Construction code should accept no checks:** Procedures have been reviewed thoroughly by DCA and borough officials and have been revised to assure that the construction code officials do not handle payments. Residents go up to the tax collection office and pay, and then return to the construction office with a receipt.

Purchasing

The processing of purchase orders occurs in the finance department and is supported by the full time equivalent of 2.5 clerical staff members. Sayreville operates with decentralized purchasing on an other expense (OE) budget of more than \$11,000,000. All purchase orders originate in a department. When one is needed, the department calls to get a purchase order number; the number, department and reason are recorded in a book in finance. The department prepares the PO which is in five parts; two go to the vendor, one stays with the department, the final two go to finance. Finance forwards one to the administrator for review. Once the invoice and voucher are returned to finance, it is processed for addition to the bill list for the next meeting.

The team can make the following observations based on a review of a vendor listing, a detailed expenditure report and the purchase order files for 1997:

- There appears to be numerous purchase orders that could be consolidated.
- There appears to be little or no coordination of purchases across departments.
- It is difficult to verify that purchase orders were obtained before the purchase.
- Purchase orders reviewed do not refer to bids, resolutions or contracts and do not have price quotes attached; in some cases the documentation is maintained in the departments.
- The actual purchase orders are filed by meeting date, making it very difficult to discern what year they are charged to (about 90% of the January, 1997 meeting POs were from December, 1996) and to easily look at purchase patterns for particular vendors and products.
- There have been specific cases in the departments where the spirit, if not the letter of the state purchasing laws, are being violated to the point that they are causing the taxpayers to pay more for goods and services than necessary or appropriate.
- No purchasing cut-off was established by the borough in 1997. This is a mechanism used routinely by local government to minimize last minute spending and to assure a clear picture of the entity's financial status at the end of the year.

Recommendations:

It is recommended that Sayreville centralize purchasing with oversight responsibility being given to one individual.

It is recommended that Sayreville assure that its automated financial reporting system provides for automated purchasing and is flexible enough to provide a variety of reports that will better enable the CFO, administrator and council to understand trends that are occurring. The team believes that increased accountability for purchases that comply with the formulated budget and a centralized, automated purchasing system could result in a reduction in expenditures for a savings of at least 1% of the other expenditures line, or \$110,000.

Cost Savings: \$110,000

Cash Management

The borough's primary banking services provider is PNC Bank under an analyzed account agreement that allows the borough flexibility in maintaining separate accounts, while having them aggregated for purposes of compensating balances and charges. The average total ledger balance of the 26 accounts ranged between \$1.3 and \$2.7 million monthly and the interest earned net of charges was \$37,064. Charges totaled \$35,802. The earnings are approximately \$12,000 less than that earned in either the New Jersey Cash Management Fund or the annual 91 T-Bill. However, that deficit is more than compensated for by the fact that the bank has assumed the ADP payroll processing costs, which amounted to \$23,258, and thus, the borough appears to have been very conservative and cost effective in its banking practices.

PNC was originally chosen because it provided the services needed and because it was local. With various bank mergers and relocations, much of the activity is conducted from a distance so that the impediment to competitively seeking a financial institution has been rendered unimportant.

Recommendation:

Although it appears that Sayreville has a good banking arrangement, it is recommended that the borough request information from a number of financial institutions every few years and select the financial institution based on the services available, as well as the investment income potential and flexibility.

According to the 1997 annual financial statement, \$4,387,150 was in PNC Bank and seven other active accounts and \$22,268,934 was invested in a variety of instruments including MBIA Class and NJ ARM as of December 31, 1997. Total investment income for all accounts identified through Sayreville's revenue report was \$1,035,074. A look at the interest rates and the investments versus active accounts shows that the borough is very aggressive in managing and optimizing its investments.

We commend the borough for its successful management of investments.

Recommendation:

It is recommended that a cash management plan be adopted pursuant to N.J.S.A. 40A:5-14 and that the CFO prepare a cash flow analysis.

BUDGET

Sayreville's 1997 modified total budget appropriation was \$31,712,455. That amount included an \$80,000 emergency appropriation from 1996 for unanticipated legal fees and is reported 100% expended or reserved.

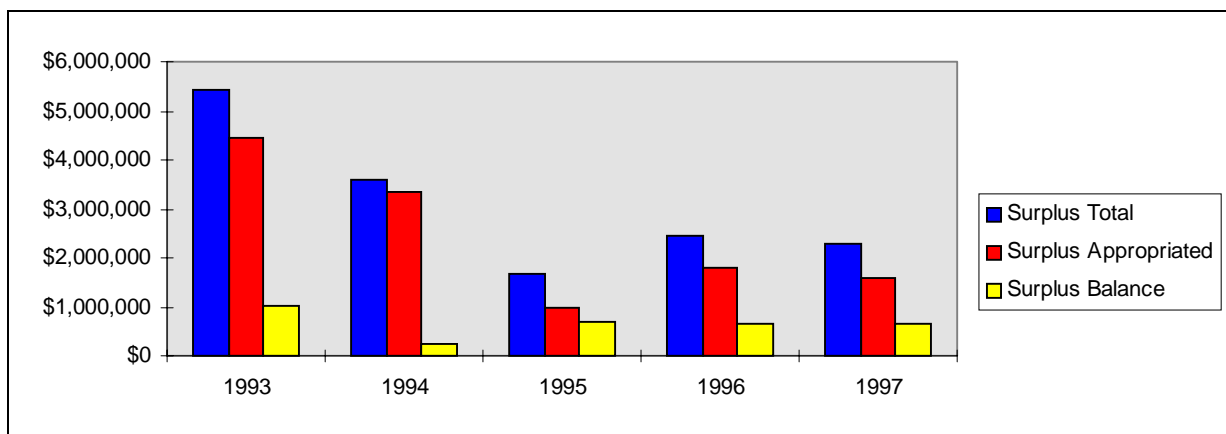
The budget is developed by department heads and then reviewed by the business administrator and CFO who revise it and then present it to the council. The budget form itself presents a brief narrative and the request of the department head that is then compiled on a report generated by the financial package. This report shows the previous year's budget and expenditure amount and percent, the budget request and what is approved, first by the business administrator and CFO, and then by council.

Surplus

Since 1993, to stabilize the tax rate as other revenue sources declined, the borough appropriated a large percentage of surplus and surplus balances declined approximately 75% from \$6.4 million in 1992 to \$1.68 million in 1995.

With less surplus to appropriate, there was a substantial increase in the municipal property tax rate, from .30 to .53, although the total municipal appropriation from 1994 to 1996 increased by only 4%, approximately 2% per year.

The chart below illustrates the surplus available, the amount appropriated and the balance remaining each year since 1992.



To minimize this type of increase in the future, council is urged to work with its CFO and business administrator to develop a policy regarding the size of the surplus, the potential for

multi-year regeneration of surplus, and the appropriate surplus balance for the current budget year and a projection of at least two years.

Budgeting Revenues

As the discussions and recommendations throughout this report indicate, there are some cost savings opportunities available for cutting expenditures.

The revenue component of Sayreville's budget presents an interesting example of the importance of approaching the municipal budget process on a long term, rather than a short term, basis. In 1987, the Sayreville municipal tax rate was just .21, generating a bill of \$356 on the average home in Sayreville. Because of reduced revenue and ratables, the borough began to use one time revenue sources and maximum amounts of surplus to hold down the tax rate. In 1996, the mayor and council were forced to increase the tax rate by 77% because one time revenue sources and surplus had been depleted and current obligations required a significant tax increase to replace these depleted revenue sources.

In 1997, the rate was .53 and the average bill was \$718. The political context of the budgeting process is a factor which frequently prevents a long term approach. However, elected officials are cautioned to rely on their professionals, the business administrator and the CFO, to advise them on the best means of maintaining a relatively stable tax rate, while assuring the provision of an appropriate level of quality services.

Another reason for planning the revenues is that it can control and help assure decisions regarding expenditures are being prioritized. Without this, we have seen in Sayreville, that:

- Salary and compensation decisions do not reflect a context of what is realistically affordable to a community.
- Capital improvements can be put off in order to arbitrarily keep taxes down and end up costing more when the decision is finally forced.
- A less necessary capital investment may be made before a necessary one. In Sayreville one can't help but wonder at the level of investment in the first aid squad buildings versus the public works facility.

Some rules that help are:

- One time revenues should be used for one time expenditures i.e. capital improvements wholesale upgrades of longer life items, for example, the library collection or the automation system, or investment in training, or a management consultant.
- That surplus be generated and used fairly consistently as a revenue i.e. a certain proportion per year or last year's addition to the surplus in this year's budget.
- That existing future obligations such as capital investments, annual debt service amounts and collective bargaining agreement settlement costs be considered as part of the current budget when revenue amounts are being considered.

Recommendation:

Mayor and council are encouraged to adopt a budgeting process that looks at multi-year impacts of current year revenue and expenditure decisions.

Debt Administration Capital Investments

The Borough of Sayreville issued \$5,827,000 in General Obligation Bonds and \$665,000 in Water Improvement Bonds for a total issue of \$6,492,000 in December, 1997. The bonds were issued to retire \$4,600,000 in bond anticipation notes and to finance \$1,892,000 in additional improvements. Total debt issued and outstanding as of December 31, 1997 was \$26,251,000. Municipalities are limited by state statute (N.J.S.A. 40A:2-6) to total net debt of 3.5% of its average equalized valuation taxable for the last three preceding fiscal years and the current debt is approximately 1.24% of the equalized valuation taxable. Total debt service for 1997 was \$5,590,131. It will increase to \$6,087,238 in 1998 and then decrease incrementally over the next few years. Improvement authorizations canceled in 1997 totaled \$87,733 and were reappropriated to the capital improvement fund.

Sayreville has several significant capital improvement projects in progress, as well as several that are planned for the near future.

With annual debt service at over 17% of budget, the borough should be cautious concerning funding future capital projects through debt.

PAYROLL

ADP processes the payroll biweekly for Sayreville and, as mentioned above, the costs are borne by the borough's primary financial institution. The cost of processing a payroll that was typically between 309 and 320 paychecks for 27 pays was \$23,258. The cost of one full-time clerical for payroll was \$42,861.

In 1997, Sayreville had 27 rather than 26 pays. The result was an additional 1997 salary expenditure of \$392,734. This is problematic for several reasons including the fact that most individuals were paid amounts contrary to the salary ordinance.

Recommendation:

As a CFO prepares for the upcoming year it is recommended that they look at the payroll schedule and, if it is a year that has 27 pays, develop the pay amount based on 27 pays. In this way the individuals receive the salary they were intended to receive.

TAX COLLECTION

The borough has approximately 11,771 line items and collected more than \$68,000,000 in revenues in 1997.

The 1997 expenditures of the tax collection office were \$107,354 for salaries, \$29,355 for direct benefits and \$7,707 for other expenses for a total of \$144,406. The staff consists of three full time positions including the tax collector, a cashier and a clerical, as well as a part time clerical who spends full days in the office during tax collection periods and three hours in the afternoon during slower periods. Of the other expenses in 1997, \$4,000 were for data processing materials, supplies and services related to the automated printing of the tax bills, as well as post year tax statements.

The tax collection rate is stable around 98% and has been since 1993. The collector has been working the tax sales back to earlier in the year - they were in November in 1995, October in 1996 and June in 1997. Chapter 99 now allows prior year tax sales to be held any time after the end of the affected tax year. Twenty dollars is charged for a redemption statement as a means of encouraging people to be serious about paying the delinquency.

There are currently nine unsold liens, three of which are for toxic sites, and the remainder are considered to have little value. The current year taxes on the properties total \$16,110 and, with remediation costs, the municipality does not believe it cost effective to pursue the foreclosure on the property. Total taxes owed are \$275,970 of which \$267,346 is owed on the three toxic sites.

Recommendation:

It is recommended that the borough investigate Hazardous Discharge Site Remediation grants for these sites.

Another issue affecting the collection rate is a series of bankruptcies. Twenty-six line items are held by five entities for a total of \$2,096,796 in delinquent taxes. Of those, just three are responsible for 97% of the delinquencies from bankruptcies. In a recent amendment to state law, delinquent property taxes were given precedence in bankruptcies and, therefore, a decision was made to retain a special counsel to file the proof of claim. The current not to exceed amount on the contract is \$7,500. If the special counsel is successful with just one third of the smaller bankruptcy amounts, the net revenue would be \$13,468 or almost two times the investment.

Sayreville is commended for making the investment in special counsel for bankruptcies as the return is anticipated to be significant in relation to the investment.

The tax collector generated almost \$20,000 by canceling aged tax overpayments dated from 1990-1996.

The borough is commended for aggressive management of tax overpayments and, thus, ensuring that the borough realizes revenues as appropriate.

Collection Operations

Between the tax collection office and the utility billing and collection operation, there are seven people to handle more than 22,000 bills. A benchmark used by LGBR is 3,300 lines per employee. The current staffing equates to 3,195 per employee. However, the team feels that by

combining the staff and cross training the staff members the total operation could be reduced by one full time clerical.

Recommendation:

It is recommended that the borough merge the utilities and tax collection operations.

Cost Savings: \$25,000

TAX ASSESSMENT

The Borough of Sayreville had 11,771 line items and a total county equalized valuation of \$2,120,048,380 in 1997. This represents an increase of \$24,199,486 over 1996. The 1997 county equalization ratio for Sayreville was 94.36%. The last revaluation was completed for the 1993 tax year.

The borough expended \$196,160 in salaries and benefits in 1997 and \$11,847 in other expenses, for a total operating cost of \$208,007.

It is to the assessor's credit that a great deal of data was already compiled and analyzed as part of the office's annual report, giving an indication that he is well aware of the workload and accomplishments of the office.

Staffing

The assessor's office is staffed by four full time staff members and one part-time person who worked the equivalent of 16 hours per week. This totals to 4.45 staff persons or 156 staff hours per week. The International Association of Assessing Officers (IAAO) standards state that one full time assessor and one full time support person are the norm for a community with 11,000 line items and that the equivalent of 3-4 staff persons is the norm for a community with 14,500 to 19,500 line items. The highest staffing level against the lowest number of line items produces a very conservative per person workload of 3,625 lines. The current staffing level in Sayreville produces a workload of 2,645 lines or 73% of the IAAO benchmark. A staffing level of three would bring them to 3,924 lines per staff person and a staffing level of 3.45 would bring them to 3,411 line items per person.

The high level of staffing may be justified by what appears to be an equally high quality of service. A 94.4% ratio after 5 years is good and a coefficient of 6 is excellent. In addition, 156 regular additions were made during 1997; there were 30 additions (completed between October and December); and just one added omitted in 1997 reflecting accurate and timely additions. This is the result of an aggressive inspections program encompassing new construction, as well as alterations. In 1997, approximately 1,273 permits and 443 certificates of continued occupancy were issued. The assessor's office inspects virtually all properties for which a permit is issued. In 1997, 186 changes of this type averaged \$6,400 in assessed value. In August and September,

the staff inspects new developments in order to assure that all properties that can be, are added to the tax rolls by October 1st.

The lowest salary plus benefits amount in the office is \$37,194. Contrasting this to the revenues generated by the additions of \$27,189, and looking at other impacts of accurate assessments including: a reduction in appeals, an ability to accurately document assessments in the event of an appeal, and maintenance of a strong equalization ratio, it appears that the extra staffing pays for itself.

Adding to the workload is the fact that the borough received the database from the 1993 reassessment in 1996 and one person is inputting the changes made since the revaluation.

Appeals

In 1997, there were 28 line items assessed at \$9,670,800 appealed at the county level. Of the 28 appeals, 20 were granted reductions totaling \$452,300 or a loss of \$10,945.66 in tax credits. In addition there were 12 tax court appeals totaling \$56,599,600. All twelve cases were settled for 1997 for a reduction of \$5,384,500 (9.5%) in assessed value and \$130,305 in tax revenues. Historically the reductions were 10.36% in 1996 and 12.11% in 1995.

POLICE

The Sayreville Police Department has 78 sworn officers and 16 civilians. The police department's 1997 costs included \$5,493,273 in salaries, \$1,412,084 in direct benefits, \$329,171 in overtime and \$520,422 in other expenses, for a total of \$7,754,950. Total calls for service in 1997 were 12,200.

The current administration of the department has been in place since July, 1997. The chief was serving provisionally, pending an exam until his permanent appointment in late May, 1998. The patrol commander has been in place since July, 1997, as well.

Demographically, Sayreville has a similar population, area, density, character and median income to North Brunswick, Ewing, East Brunswick, Belleville and Mt. Laurel. Of the six communities, Sayreville has the second lowest crime rate per 1,000 at 26.5, but has the third highest violent crime rate per 1,000 at 2.9.

The department has been the subject of two reviews in the past four years. The first review was performed by the Department of Law and Safety Division of Criminal Justice (DCJ). This technical assistance project included a detailed analysis of the department's workload to determine personnel requirements, a revised table of organization, a review of the municipal ordinance establishing the police department, a general overview of the management practices

and an evaluation of the department's computer system. A second study was performed to review the first study and was completed by a private consultant in 1996. Neither study has been fully implemented. We will refer to them as additional substantiation for our findings.

The lack of response to, and duplication of, studies of the police department provides an indication of the degree to which leadership, accountability and responsiveness operate within the department. If a sense of direction and responsiveness and accountability to the elected officials and the citizens of a community is missing, all resources, whether it is one dollar or more than seven million, are not being expended wisely. It was the team's observation that the Sayreville Police Department lacked direction, accountability and responsiveness.

Mission, Policies and Procedures

This police department seems detached from the borough administration and the citizens it serves. Without a plan or specified direction, it provides the bare minimum service a police department can provide. Other than one officer serving as the DARE officer in the school and providing crime prevention information, no proactive activities were observed. The development of a mission statement by a committee representative of the citizens, the borough administration, the officers, and the elected officials would be a significant step toward more adequately focusing the available resources of the department.

Both management studies recommended revisions to the policies and procedures and rules and regulations and yet there are no plans to revise them at this time. The chief stated that they did not have the staff support required and these tasks could only be addressed by creating a deputy chief position. The absence of current and detailed policies and procedures and rules and regulations means that the police force is reacting to the work as it presents itself, instead of having a recognized plan that all members of the department can look to for consistent and cohesive direction.

We do not agree with the chief's assessment. We think that the review and revision of these two very important documents can be carried out by the chief, with the assistance of existing staff. An appropriate candidate for the project may be a sergeant assigned to the juvenile bureau who is a graduate of the FBI National Academy. This must be accomplished as soon as possible so that this department will operate with a consistent sense of direction.

Recommendation:

It is recommended that the department identify a member of the staff to lead the effort to develop a mission statement, policies and procedures, and rules and regulations.

Information Technology

The department has had a computer aided dispatch (CAD) system for eight to ten years. The system has the ability to track calls for service, perform free patrol time analysis for the patrol shifts, create reports showing the times and locations of false alarms and other calls, generate letters/bills to collect for false alarms, and provide crime analysis to aid in the deployment of resources. When asked about this system, the chief and his captains said that the system doesn't

work and it never did. The dispatchers were asked and they simply said they could dispatch faster using the old card system. So the current practice has the call takers writing information onto cards and dispatching from these cards. Later the information is entered into the record management portion of the system. This practice doubles the work, (writing the cards and then entering data from the cards into computer), than if they would type the data into the CAD system in the first place. These dispatchers decided not to use this system and the managers at that time allowed this to occur. For this system to be useful, the radio dispatcher/call takers must use the system appropriately and it is department leadership's responsibility to assure that this occurs.

The failure to use the CAD system appropriately has made it very difficult for the team to make precise analysis of the department's workload and productivity. It must be noted that the data required by the LGBR team to evaluate this department is needed to effectively manage the resources of the police department.

Recommendation:

The department leadership is urged to take all steps necessary to assure that the existing CAD system is implemented, used appropriately, and training provided so that the management information required to make informed decisions is available to leadership and supervisors.

Schedule

The patrol officers work a four day on and four day off schedule consisting of 10.25 hour days. This results in 1,866 hours per year. The eight training days worked must be added to total 1,948 hours per year. This is 132 hours less than if the officers work the 2,080 hours that a 40-hour workweek would call for.

The cost of this particular schedule for this department is \$3,487 per officer on the schedule or \$202,246 for all 58 officers on the four on, four off schedule.

ORGANIZATION/OPERATIONS

The police department staff consists of a chief, two captains, six lieutenants and sixteen sergeants for a total of 25 supervisors for fifty three patrol officers, seven civilian clerks/secretaries, and seven full-time and nine part-time dispatchers. The department has identified and divided the borough into six patrol districts.

The number of sworn personnel currently employed would be adequate if deployed consistently with current progressive police management, recognizing the safety of the citizens and the officers as well as a service to the citizens.

Weakness in leadership creates weakness throughout the organization and it necessarily impacts on the effectiveness of the operations. It is impossible to address operational issues separately from the organizational issues in circumstances such as these.

Recommendation:

It is recommended that the chief develop an operational organization that, not only is structured for an appropriate span of control, but also assures clear lines of communication and a defined set of responsibilities at each level.

A means of improving productivity in police operations is to give lieutenants and captains additional responsibilities for such areas as training, internal affairs, and domestic violence. These types of assignments need not and should not be full time positions.

If the department chooses to remain with the current four on four off schedule, the shifts may be staffed as outlined in the proposed table of organization (TO) (Appendix A shows the recommended organization). If the department is organized as this TO suggests, the net savings would be \$80,870 and there would be three additional patrol level officers.

Current TO		Total Cost	Average Cost	Proposed	Average Cost	Savings
Chief	1	\$106,029		1	\$106,029	0
Captain	2	\$212,579	\$106,289	2	\$212,579	0
Lieutenant	6	\$548,644	\$91,441	4	\$365,746	\$182,898
Sergeant	16	\$1,343,948	\$83,996	15	\$1,259,951	\$83,997
Patrol Officer	53	\$3,235,756	\$61,052	56	\$3,418,912	(\$183,156)
Total	78			78		\$80,870

The Station Commander

By ordinance, the shift lieutenant now sits and listens to the radio and is available to take walk in reports and called in reports. The team did not observe the station commander take reports but did observe officers called in from the street to take reports from people who walked into the station. Conversations with patrol officers confirmed our observations and stated that was, in fact, the practice of the department. The justification offered for this practice is that the Lieutenant must be available to coordinate the department's response to major occurrences, and to be the booking officer and be in charge of headquarters when the chief and the patrol commander are not available. The team feels this senior officer is being underutilized in this way. Dispatchers will be able to take walk in and call in reports once the new communications center is complete. The department should develop procedures to enable dispatchers to take walk in reports for minor incidents. Officers can be called in from the road if the incident is serious or requires immediate police intervention. The same priorities can apply if the call taker/dispatchers are busy. The complainant can wait in the lobby until a report can be taken.

The patrol shifts seem to lack direction and supervision on the street. A more effective arrangement would be to have each shift under the command of a lieutenant. The shift commander should schedule hours to cover both sides of the shift and to fill in when a sergeant is absent. The shift should be run by the senior sergeant when the shift lieutenant is off. The borough should negotiate to have this done without compensation for serving as acting

lieutenant. The shift commander's role would be out of the building directly supervising his sergeants and his shift. If there is a need for a booking officer to sign complaints he can be called in to do this.

Recommendation:

It is recommended that the number of lieutenants be reduced to four - one per shift and one responsible for administration and logistics.

Administration and Logistics

In a small police agency, the functions of management are carried out by the chief of police personally. In larger departments, and this includes the Sayreville Police Department, the management functions must be shared with other administrative officers and supervisors. Every police official, from the chief to the sergeants, is a member of the management team, and regardless of the rank, has certain management responsibilities to his subordinates, to his department, and to the public. The team recognizes the weakness evident in this area of the department. The current structure has a sergeant and a civilian clerk assigned to the administrative section who report to the chief. This sergeant is overwhelmed by the workload and clearly needs support and direction.

Recommendation:

It is recommended that this office be staffed by a lieutenant and a sergeant and assisted by a civilian clerk.

This office should work with the chief to develop plans necessary to meet the demands of policing in Sayreville. Also included in the duties of this office would be development and administration of the budget, including all forfeiture funds controlled by the department. All purchasing decisions should go through this office and purchasing records should be maintained there. The training function and training records for the department should be assigned here. The direct supervision of the civilian dispatchers should be by a civilian dispatcher supervisor. This person would be responsible for the training, scheduling, and administrative needs of the dispatchers. This person would report to the Administration Sergeant. This position need not be an additional person, but selected from the ranks of the existing full time dispatchers. Other supervisors who the chief assigns to perform management or administrative functions as part time assignments should look to this office for guidance and direction.

Recommendation:

It is recommended that the borough promote an existing dispatcher to dispatch supervisor at a cost of approximately \$3,000.

Value Added Expense: \$3,000

Patrol

Supervision practices observed were poor and the concept of unity of command was not evident in the patrol division. On one day observed, the patrol shift was staffed by a lieutenant as station commander, two road sergeants and four patrol cars. Two of the patrol cars had new patrol officers riding along. There was no assignment of officers to sergeants and patrol officers had no idea who they were responsible to. The station commander at times directed patrol cars to assignments without going through the road sergeant. When asked about this practice, the sergeant explained that this was the way they have always done it. The sergeant also had no criteria as to when they ride in on jobs and they do not meet with the officers to review reports. The sergeants do not inspect the officers' cars or enforce the completion of vehicle reports. The duties and responsibilities of all assignments, including patrol sergeant, should be defined in agency policy.

Recommendation:

It is recommended that policies and procedures be established to clearly indicate the lines of communication and responsibility and that the road sergeants be held responsible for active supervision of the patrol officers.

In 1997 there were 12 patrol officers assigned to the 1st, 2nd, and 3rd shifts. Staffing the patrol shifts equally without regard to the workload is a practice the police cannot afford. The number of officers assigned to the 3rd shift can be reduced because the shift overlaps with the second shift from 9:15 p.m. to 3:00 a.m. From 3:00 a.m. to 6:45 a.m. they are alone. The team checked and found that between 3:00 a.m. and 6:45 a.m., the police responded to 276 calls during a four month period, this averages to 2.25 calls for that time period each day for the entire borough. Of the 276 assignments dispatched, 75 were false burglar alarms. If the false alarm problem is dealt with, the average number of calls would be 2.13 per time period. The number of patrol officers assigned to the 1st shift could be 16, 2nd 16, 3rd 10.

Recommendation:

It is recommended that the first and second shifts be staffed with 16 patrol officers and that the third shift be staffed with 10 patrol officers.

The Plainclothes Division

The plainclothes division is divided into four squads: detective, narcotics, juvenile and identification. Each is supervised by a sergeant. There are currently a captain, five sergeants and 12 detectives in this division. This was one of the few areas where effective leadership was in place. Therefore, there was a sense of control, accountability and effective communication. The detective captain has the detective sergeant review all reports generated by the patrol officers and decides which case is assigned to what squad and detective for follow up investigations. There was no clear policy relative to internal affairs functions. The department reported five internal affairs cases in 1997 to the Middlesex County Prosecutors Office. Four of these were either

unfounded or not sustained, one was sustained as a rule violation. Unless this caseload increases dramatically, the captain of the investigations division should be able to assume this additional responsibility.

Recommendation:

It is recommended that the captain oversee all aspects of investigations and also be responsible for the internal affairs function for the department.

ID Bureau: A sergeant and a detective are now assigned to the ID bureau. The team recommends replacing the sergeant and detective with civilian evidence technicians and returning the detective to patrol and reassigning the sergeant to the traffic bureau. It is recommended the evidence technicians be selected from the large pool of retired police officers that have the needed skills and expertise to perform this function. This would minimize the training required and would effectively counter some of the expected arguments of the importance of having sworn officers handling evidence. A salary range of \$22,965 - \$31,887 appears appropriate, based on the duties to be performed and borough salary ranges for positions with similar responsibilities.

Recommendation:

It is recommended that the ID bureau functions be assumed by two new civilian evidence technicians and that the detective be reassigned to patrol and the sergeant be reassigned to the traffic bureau.

Productivity Enhancement: \$45,930

Dare/crime prevention: A detective sergeant reporting directly to the commander of the plainclothes division currently performs the DARE/crime prevention function. This program is accomplished during the day. In 1997, the DARE officer taught 19 fifth grade classes reaching 521 students. In addition, the officer fingerprinted the kindergarten classes and made presentations to fourth graders. \$2,000 in borough funds and \$6,000 from donations funds this program. The same officer serves as the crime prevention officer. While doing this he met with approximately 700 seniors three times during the year and met with two condo associations.

Although the officer assigned has been productive, the team believes that using a detective sergeant to perform these two functions is not the best use of resources for these reasons:

- It is appropriate for a sergeant to have supervisory responsibilities and there is no one to be supervised for either function.
- It is difficult for a detective to carry and follow through on a detective's caseload while managing these responsibilities. Patrol duties can be more flexible and coordinate more easily with the DARE/Crime Prevention functions.
- Having one officer assigned to both DARE and Crime Prevention functions can lead to unnecessary overtime.

To make the best use of resources, it is suggested that the DARE function be assigned to a patrol officer on the day shift and the crime prevention function be assigned to a patrol officer on the evening shift. The crime prevention duties can be assigned part time to an officer working the evening shift so that the crime prevention meetings can be scheduled after people are home from work. This would facilitate support of the Block Watch groups that have evening meetings.

Recommendation:

It is recommended that the DARE crime prevention functions be performed as part of patrol duties with DARE performed by an officer on the day shift and crime prevention performed by an officer on the night shift. The detective currently performing that work would become active as part of either the narcotics or investigations units.

Narcotics, Detective, Juvenile: The three remaining squads should remain intact with additional detectives assigned to the narcotic and detective squads. A high level of cooperation between the squads was evident. This allows the squads to remain separate so that expertise can be developed by each squad but can be shared within the division. There seemed to be a sense of working together as a division when detectives were assigned to assist the other squads.

The ability of the commander of the detective squads to properly deploy staff is complicated by the labor contract, which states that they work 9.5 hours a day, 4 days on, 3 days off. The contract further directs that ½ of the people are off Friday and Monday. The contract also dictates that the hours of the detectives are 7:00 a.m. - 4:30 p.m. and 2:30 p.m. to midnight. These are management prerogatives that are not appropriate to a collective bargaining agreement.

Recommendation:

Remove the schedule and hours restrictions from the collective bargaining agreement.

Incidents that require detectives when detectives are not on duty are handled by calling the appropriate sergeant of the bureau, who then calls the proper number of detectives. All detectives have borough beepers and cars assigned. There seems to be a lack of input from the patrol division to the bureaus in the form of field interviews. The recommended changes in the patrol division supervision should enable the department to assure that the patrol officers interact proactively with the public.

Recommendation:

It is recommended that the patrol captain and the investigations unit captains work closely to assure that patrol contributes proactively to the work of the investigations unit.

Traffic Bureau

A traffic bureau should be responsible for the planning, analysis, monitoring and coordination of the department's traffic activities. Since there is a close interrelationship between traffic enforcement and all other law enforcement activities, the responsibility for enforcing traffic laws

and regulation must be shared by all uniform personnel. The number of accidents occurring in Sayreville in 1997 was 1,275. The total number of tickets issued by the department was 3,806. The traffic bureau with two officers, issued 1,170 or 30% of all tickets issued. The total number of tickets includes tickets issued while on overtime for DWI, Aggressive Driver and STEP (seat belt) grants.

A review of the additional duties currently performed by the two officers assigned to this bureau reveals that they are doing many tasks that could and should be done elsewhere. These duties and their appropriate assignments are:

- Checking and approving all department motor vehicle reports and tow reports should be done primarily by the road sergeants.
- Following up on minor hit and run accidents, which is within the capability of patrol officers under most circumstances. The trained traffic investigators should still investigate the serious motor vehicle crashes.
- Inspecting 18 light and 2 heavy wreckers. Wreckers can be checked by the officers when they are at accident scenes for obvious problems when complying with the ordinance.
- Issuing resident parking permits and handicapped parking permits which should be done by the records bureau.
- Conducting the dog and cat census should be done by the health department.
- Reviewing pursuit reports should be done by the shift commander.
- Scheduling and administering the DWI program is appropriate and their coordination with the county is effective.
- Supervising crossing guards.

Recommendation:

It is recommended that the traffic duties be evaluated and reassigned to other divisions and personnel as appropriate.

Traffic Enforcement: Using forfeiture funds, the traffic bureau purchased a traffic monitoring device that will be able to pinpoint speeds and times of speeders. The information from this equipment will be most useful if it is also made available to, and used by, the patrol division to direct proactive enforcement of traffic laws during free time. The department has enough radar equipment to equip the three traffic and nine other cars. This equipment should be permanently installed in the twelve cars and should be included in vehicle inspection reports.

Dispatch

Dispatch is staffed by two people at all times and in 1997, the staff consisted of nine full time communications operators. Amidst significant resistance from the police department, the administration has embarked on a plan to hire part time dispatchers to fill vacancies. This is a cost effective solution, given the need for flexibility to cover 24 hours seven days per week. This should cut the overtime that last year totaled \$54,450 or 20% of the base salaries. We suggest that the dispatch staff should have a civilian supervisor that reports to the administrative section. However, the department policies must make it clear that on a day-to-day basis, the shift

commander has overall responsibility for the shift, including oversight for the dispatchers and the dispatch function.

The borough is commended for its use of part time dispatchers in this situation.

The dispatchers report to the administrative sergeant for any administrative matters and yet seek operational guidance from the lieutenants. This situation has resulted in no clear lines of authority and, therefore, poor communication and a failure to focus and utilize resources appropriately.

Recommendation:

It is recommended that the shift commander be responsible for the dispatch staff on duty.

The dispatch center is being redesigned and relocated to the main floor. This improved accessibility can be enhanced by providing the dispatchers with a direct phone to the lobby area in order to allow the dispatchers to answer questions, take walk in reports, and call a patrol car in when an officer is needed.

Recommendation:

It is recommended that the communications center be equipped with a direct phone to the lobby area.

As mentioned earlier, the dispatchers do not use the automated dispatch system appropriately. This is a serious issue because it is a waste of an existing system, and it deprives leadership of the information that would enable them to rationally, proactively and systematically address the public safety needs of the community.

Recommendation:

It is recommended that the leadership of the department make effective use of the current dispatch system as a priority.

They have no translator service. ATT Language Line is one service available for public safety agencies. The service costs \$50 per month and has a schedule of fees for service depending on the length of the call and the language used.

Recommendation:

It is recommended that the police department develop a policy and purchase a system to assure the availability of translation services.

Value Added Expense: \$600

Communication equipment is not consistently maintained and the staff is not aware of the status of the equipment. They had two dictaphone call-back devices, which are invaluable for dispatchers. One didn't work at all and the other only worked on 911 calls. The dispatchers did not know if a repair order was open or if the vendor was waiting parts. This demonstrates the need for a equipment status report/board, which would allow dispatchers coming on duty to easily see if any of the radios, telephones and related equipment were working and if not, whether the appropriate repair calls were placed and when. This information should also be available to the administrative sergeant and the patrol commander. Only four of 18 video cameras that are monitored by dispatch are working. This system should be repaired and utilized.

Recommendation:

It is recommended that all equipment be maintained appropriately and status information be posted so that all appropriate personnel remain informed.

The new radio system will be a 500 MHz. trunked system that will provide communication for the entire borough. The system will have secure voice capability for the police department. This feature will eliminate most arguments for cell phone use within the police department. This system will also have the ability to use the Monroe and East Brunswick Police communication system in the event the Sayreville system goes down. The key to the success of this system will be the designation of one individual to serve as the system administrator so that the various departments do not duplicate management efforts when dealing with communications problems.

TELE-SERVICE

Tele-service is a tool that can be used to free up patrol officers for more important assignments and create more time for proactive/directed patrols or traffic enforcement duties. Tele-service is a procedure through which dispatchers can record reports for certain categories of non-emergency incidents over the telephone.

In Sayreville, a total of 1,516 calls could be eligible to have reports taken over the telephone if the citizen elects to do so. Calls are estimated to average 40 minutes. Therefore, if just 50% of the calls are taken over the phone, 505 hours of patrol time will be made available. This service expedites taking of the report for the citizen since they are frequently required to wait for a patrol car that is on a higher priority assignment.

For tele-service to be effective, it should include the following:

- a clear specification of the types of calls eligible for tele-service;
- the ability of the citizen to choose whether or not the call is taken over the phone;
- training the dispatchers so that they can effectively carry out this task; and
- ensuring that reports taken over the phone are reviewed for accuracy and are included in any feedback to the patrol shifts so that patrol units assigned to certain areas remain aware of incidents occurring within their area of responsibility.

Recommendation:

It is recommended that the police department develop the policies and procedures to institute tele-service for appropriate calls.

Productivity Enhancement: \$12,625

ALARMS

During 1997, the police responded to 1,890 false alarms consuming 1,260 patrol officer hours. The borough has in place an excellent series of ordinances that require the police department to issue permits to all people who maintain alarms in the borough and delineates penalties for multiple false alarms. In addition to consuming patrol officer time, responding to alarms that are consistently false creates a complacent attitude among officers that can lead to grave consequences when confronted by a real event.

If the false alarms were cut by 50%, there would be a \$15,750 productivity gain. In 1997, the police department received at least one alarm from 655 locations. If these locations were registered in compliance with the municipal ordinance the borough would have realized \$6,550 in revenue. The ordinance also establishes fees for multiple false alarms. In 1997 enforcement of the ordinance would have generated \$39,050.

Recommendation:

It is recommended that the police department enforce the existing ordinances relative to registration of alarm systems and penalties for false alarms.

Productivity Enhancement: \$15,750

Revenue Enhancement: \$45,600

MOTOR POOL/FLEET

The motor pool is located below the headquarters building. It is staffed by two mechanics who work Monday to Friday 6:30 a.m. to 3:00 p.m. They report to the administrative sergeant. This creates a supervision problem because of the distance between the garage and the office of the administrative sergeant. The team inquired many times about the location of the mechanics and the answers were that they did not know where they were or why they were not in the garage or if they both were in work that day. The sergeant was much too busy to effectively supervise these workers.

The condition of the maintenance garage was dirty and cluttered. The two mechanics did not seem to control their own work place. Most of the clutter observed were parts from cars stripped prior to auction. While it is a good idea to remove parts, it must be done in a way that parts for cars no longer in the fleet are disposed of. The department must have an inventory list so that

they know what they have and what it costs. The mechanics did not have any guidance on the budget. All bills are sent to the administrative sergeant for payment.

Another example of the lack of focus, supervision and direction is that on January 27, 1998 a van, used by the narcotics squad, was involved in an accident which put it out of service. This was a very valuable surveillance asset and, yet no one could determine when or if this vehicle was going to be repaired or replaced. The van sat for two months before it was determined that it would be repaired and another month until it was put back into service.

With only two mechanics, there are many instances when only one mechanic is present due to days off, vacation or work related errands.

Abuse of vehicles seems to be a problem that needs attention. There seems to be little incentive to report abuse. As stated earlier, the sergeants do not inspect vehicles. The mechanics seem reluctant to make a point of pointing out damage to vehicles because they feel they are in the middle and don't want to be the bad guy. It appears that they preventively maintain most of the cars, most of the time. Work activity reports are submitted monthly, are hand written and extensive, but do not contain dates of the action or the time it took to perform the action.

Equipment

A serious issue, which again is an indicator of a lack of direction and accountability, is the non-standardization of equipment. The department has been buying Fords for patrol use since 1992. The issue is that the 1992 and 1994 Fords are not equipped with ABS brakes and the 1996 and 1997 Fords are ABS equipped. The officers seemed unaware of this, even though the driving techniques are very different. This poses problems relative to both maintenance and safety/training. The cars should be equipped with a permanent placard telling the operators which braking system is installed.

There are at least four different lights and sirens in the fleet. This presents problems for the operators of the cars and for maintenance. The motor pool installs the systems on the cars so each different type requires time to learn. The department should start to purchase high quality light bars that require little or no maintenance. These come with long term warranties and can be recycled from car to car.

Shotguns are now mounted down between the seats along the transmission hump so that it is difficult to have two officers assigned to a car. There are shotgun racks designed to be mounted on the top of the cages of these cars. All cars assigned to patrol do not have shotguns and cages. Cages were available but were not being used because the kits that would allow them to be installed had not been ordered.

Recommendation:**Install cages and shotgun racks in all patrol cars.****Gasoline**

The police department uses 93 octane gasoline for its fleet. None of the vehicles operated by the police requires the use of this gas since the vehicle manufacturer recommends the use of 87 octane. No one knew why they were using the premium gas. The gas is purchased by the borough by bid. The police reported that they used 60,672 gallons and paid a total of \$54,420 for gas. They had assumed that they paid \$35,726 based on the bid price of .574/gallon. Based on twelve POs, the actual average cost for gas was .894/gal. Purchasing 60,672 gallons of 87 octane for a cost of .644/gallon would have saved the borough \$14,134.

Recommendation:

It is recommended that the borough purchase 87 octane gas and, at least, use the state contract price.

Cost Savings: 87 octane would save \$14,134

This motor pool also maintains three senior citizen buses. These maintenance costs are charged back to the Office on Aging. When the agreement was reached that the police mechanics would do this work, it was decided that all work would be done on overtime. The overtime cost \$4,945 in 1997 and the cost of the parts for these vehicles was \$2,957.

Recommendations:

It is recommended that this work be done during the normal work hours.

Cost Savings: \$4,500

The team recommends that the vehicle maintenance function be consolidated with the DPW at once. This may be inconvenient until the DPW has a new facility, but it is the belief of the team that the issues identified above can be best addressed by consolidation. Specifically the benefits would be:

- **DPW could provide appropriate supervision and direction of the mechanics and the police vehicle maintenance function.**
- **The DPW computerization of its parts inventory, vehicle records, labor costs and ability to charge costs to the owning agency can easily be replicated for police under a merged function.**
- **Appropriate supervision would include making decisions based on resources available and with full knowledge of the dictates of the budget.**
- **Tools and equipment would be more productive because it could be shared.**
- **With more mechanics in one organization, time could be scheduled to minimize overtime and vehicle down time.**

- **A larger organization would enable the supervisor to assure that mechanics are never working alone.**

Fleet Size

There are currently 27 marked vehicles, 24 for patrol and three for traffic. One of the most significant causes of the large fleet size is having overlapping shifts. As it is now structured, the patrol shift needs six cars for its patrol districts, two cars for sergeants and a car for the lieutenant. This is nine cars per shift. During the overlap the needs are doubled to 18 vehicles. With a non-overlapping shift there can be eleven cars assigned, three of the eleven would be assigned to the supervisors and eight would be available for patrol. The sergeants' cars and the lieutenant's car should be identified as superior's or supervisor's cars. With eleven cars for patrol, there could be four cars for traffic and five spares, and thus, the marked fleet could be reduced to 20 cars. The same goals could be achieved without a change in schedule by assigning two officers per car during the overlap. Operationally this still works because of the time period and types of calls requiring two officers. If this option is used, department policy and procedure must be developed to ensure the two man patrol units are used effectively. This would enable the department to use directed patrols and, possibly, foot patrols during the times of the overlap.

Similar savings can be realized with unmarked cars. There are nineteen unmarked cars now in the fleet, not including seven forfeiture vehicles. Three of these cars are assigned to individuals, the chief and two captains, who take these cars home. The captain of this division should control these assets by assigning primary operators by bureau, not individual. With the exception of the detective assigned to a drug dog, these vehicles should not be assigned to individuals or taken home. There are 16 detectives assigned to this division and 23 cars. One of these cars should be reassigned to the patrol division for directed patrol operations and 5 cars should be removed from service. This still leaves one vehicle per detective plus two spares. The elimination of 12 cars from service would result in maintenance savings of \$2,550 per vehicle for a total of \$30,600, and the one time auction sale of \$1,500 per vehicle for a total of \$18,000.

Recommendation:

Reduce the unmarked fleet by five cars and the marked fleet by seven cars.

Cost Savings: \$30,600
One-time Revenue: \$18,000

TELEPHONES

The borough has a published policy prohibiting the use of telephones for personal long distance and toll calls but that the employee may reimburse for such calls. There was no evidence of enforcement of this policy. The department has no policy or procedure of its own for monitoring

phone bills and having employees reimburse the borough for personal long distance calls. A review of phone bills show \$45.00 a month for 411 calls (local) and \$40.00 for long distance 411.

Cell phones are assigned to several officers including the chief, both captains, and various detectives, bureaus and cars. Of the 14 phones listed by the department, four are mounted in cars. Last year the police department spent \$15,605 on cell phones. The chief's and the patrol captains' cell phone bills were the lowest. The two highest bills were for phones mounted in cars. Of a total monthly bill of \$978, \$420 was for phones mounted in cars. There was no evidence of a review of the use of these phones. The team recognizes the need for secure communications while in the field and the need to communicate while away from the range of the police radio system, but 14 cell phones in an organization of this size is difficult to justify. The new radio system that is being installed will enable the police to have secure communications, which will eliminate the reasons for the use of cell phones, except for the rare occasions of surveillance out of radio range.

Recommendation:

It is recommended that the cell phones in the cars be removed at once; that there be a serious reappraisal of the use of cell phones by the police department; and that policies and procedures be instituted that are consistent with the borough policy which is set forth in the Employee Handbook. The cell phones that are maintained should be secured and used on a case by case basis with extensive review and justification.

Cost Savings: \$13,000

VACATION

An issue identified by the police administration is the current vacation schedule. At present, the majority of vacations are scheduled over a 36 week period from May to the end of the year. The patrol officers assigned to the patrol force are entitled to a total of 1,019 working days vacation in 1998. Up to six patrol officers are currently permitted to be off at a time. This results in the need for 42 weeks of vacation even though the contract allows vacation to be scheduled throughout the year. A policy reducing the number of patrol officers out at the same time from six to five would make it necessary to schedule vacations throughout the year and would equalize the availability of officers throughout the year. To optimize this improved scheduling, the assignment of officers to the A or B side of the shift should be made by the patrol commander so that seniority and vacation time liability will be as equal as possible.

Recommendation:

It is recommended that the policies relating to vacation scheduling be revised to assure that just five officers are out at once and vacations are scheduled throughout the year.

Productivity Enhancement: \$48,745

COURT TIME

Municipal

Of the \$30,732 used by the department for court overtime, \$19,532 was generated by municipal court. This court expense can be reduced with some direction and cooperation from all parties. Some guidelines for court appearances by police officers should include:

- making the schedule of the police officer the priority when scheduling.
- not scheduling officers for court on days off.
- appointing someone to review all court appearances and returning to the court all that would result in overtime for the officers before issuing them to the officer.
- implementing a policy of limiting officers on the 3rd shift to one night per month for all court.
- requiring officers to write a court date on the summonses that comply with this policy.

Recommendation:

It is recommended that the chief, judge, and business administrator agree to and enforce specific guidelines designed to reduce court appearance over time.

Cost Savings: \$10,000

The provision for mileage and travel expenses to municipal court should be changed since this is the primary work place and the officer is already being compensated for the time spent in court. The police department currently pays officers from the time they call the dispatcher to state that they are leaving home until they return home. If the typical travel time is one half hour and because they report at the start of court, at least an hour and a half is wasted per officer per court appearance.

Recommendation:

It is recommended that officers' court appearances be scheduled to start an hour after the start of court and that officers not be compensated for travel time.

Grand Jury and Superior Court

While overtime for Grand Jury and Superior Court is more difficult to control, the following recommendations are offered. The practice of paying overtime from the time officers leave the house to when they return should be negotiated out of the police collective bargaining agreement. This practice results in paying officers travel time to go to and from court without any form of verification. Officers should be directed to go to headquarters to sign out for a marked department car to eliminate mileage charges and also serve to verify the start and stop time for payment. Meal allowance for court should be stopped.

Overtime for Captains

This cost the borough \$1,058 last year. Due to the command nature of this position they should not be eligible for overtime compensation. They also accrued 116 hours compensatory time in 1997. This is worth \$6,563.

Recommendation:

It is recommended that the practice of paying captains overtime or compensatory time be discontinued.

Cost Savings: \$7,621

Overtime

Overtime expenditures in 1997 totaled \$329,171 for 5,987 hours, 690 of which was for court. Overtime within the department has been identified as a problem by the borough administration and the team believes that there are a variety of strategies that could be employed to reduce overtime by a significant amount. Key to the reductions would be a commitment on the part of the department leadership to maximizing the productivity of resources and minimizing reliance on overtime.

The team realizes that there are a number of overtime categories that are affected by the number of officers available on patrol and detectives available to work cases which is being addressed by the proposed table of organization. Recommendations made above will increase the number of officers available as follows: the vacation schedule revisions increases one person per shift for 42 weeks for a gain of 1,100 hours. Reassigning the two ID bureau sworn officers to the detective function would gain 2,816 hours, the 1997 patrol schedule had the number of officers on the patrol shift at 36 and the team's recommended number of patrol officers is 42, a gain of six officers or 8,448 hours. These changes would total to 11,964 additional hours.

These increases in available patrol hours will decrease overtime hours required for:

- Comp time: 310 hours, \$10,351
- Vacation: 284 hours, \$50,879
- Rotating day off: 546 hours, \$17,003
- Patrol investigation: 350 hours, \$15,145
- Detective investigation: 674 hours, \$32,586
- Narcotics investigation: 481 hours, \$22,942
- Sick time: 961 hours, \$89,341

Critical to the control of overtime is a defined budgetary limit from the administration for use by this department. The administration should set the limit and accept some responsibility for these limits, along with the chief. Our recommendation leaves \$100,000 for overtime so the chief has the flexibility to cover sick time absences and required investigations. In addition, policies and procedures affecting overtime need to be revised, established and enforced to include:

- A reassessment of minimum manpower for the shifts based on current conditions.

- Controlling and monitoring sick time.
- Assuring that a sick absence does not automatically trigger overtime but causes more work for other officers.
- Weekly meetings to monitor overtime usage and balance priorities led by the chief.

Recommendation:

In addition to implementing previous recommendations that will make more patrol and detective hours available, the chief is urged to adopt a set of policies and procedures which will serve to actively control and minimize overtime expenditures.

Cost Savings: \$138,252

TRAINING

Appropriate management of training and training records is critical to assuring compliance with state and federal regulations and limiting both safety and liability risk exposures. In the Sayreville Police Department, not only is there no full time training officer assigned, but responsibility for training and training records are scattered throughout the department. There is no one training file available to document compliance with regulations. There is also no master training schedule for the department, so training absences and use of training days are not planned or coordinated. There is a lieutenant on the third shift that has some responsibility for training. The patrol captain schedules for the patrol shift. The Terminal Agency Coordinator (TAC) officer also schedules training for the dispatchers. This lack of direction has resulted in a lack of effective utilization of training days throughout the department. This was identified in the DCJ technical review and has not been addressed.

The impact of the lack of coordination and planning was made very clear by the fact that the department failed to re-certify officers on the Criminal Justice Information System (CJIS) National Crime Information Computer (NCIC). This should have been done during the course of the year. The state police identified the problem in November, 1997. At the time of the review, February, 1998, the department was in a crisis mode taking sixteen officers off the road to have them trained due to the time constraints imposed by the state police. This training was not done using any of the eight training days the officers are required to give back to the department as training days because of the clause in the contract that requires ten days notice and the scheduling of training days to coincide with the beginning or end of the officer's day off period.

If the training function were tasked to the administration/logistic section of the team's recommended TO, the lieutenant in charge of the section would be in a position to coordinate the training schedule with the patrol commander. This would also give the lieutenant the time and opportunity to request training from outside sources. All training within the department could then be run through this office, and the office would serve as the central point for maintenance of all training records and schedules.

The lieutenant could be instrumental in implementing proactive training concepts, such as cross training patrol officers in the detective and narcotics bureaus. This would allow the officers to

learn the different aspects of the department and allow the department to observe new officers to help assess officers when reassignments are needed.

Recommendation:

It is recommended that the lieutenant in charge of the proposed administration and logistics section be responsible for maintaining all training records and coordinate scheduling of all mandatory and elective training.

Training Days

The PBA contract requires that the officers schedule eight 10.25 hour training days to make up for the fewer hours scheduled for patrol. In the last two years the police can document that an average of just six days of training per officer had been used. The borough has an obligation to ensure that the total 82 hours are used. This is very difficult under the present system because it is difficult to schedule 10.25 hours at a time for training. Even outside contracted training classes are usually seven hours in length. A solution to this issue would be to allocate the training time in hours rather than days and adopting a specific policy requiring that the time be used first and that no training be scheduled on overtime or during work hours until the time is used. As it stands now, the borough is losing the productivity of two days per officer per year or \$42,246.

Recommendation:

It is recommended that the training time be used in hours rather than days and that all training be scheduled to use up the time prior to scheduling for overtime or regular work hours.

Productivity Enhancement: \$42,246

Firearms training

Firearms training is treated separately from the rest of the training program. This training is documented and records are maintained for the twice per year qualifications. The firearms instructors are well trained and motivated. The borough is fortunate to have an outdoor range that is large enough to support its own needs. The range had been used by many outside agencies until 1992 when a letter was sent to the borough contending that the range was located over a well field that the borough used for its water supply. The letter speculated that the well field could be contaminated from the lead from the bullets. No one from the police department or the water utility had a copy of the letter and all persons interviewed thought the idea was not valid. The police firearm instructor and the training lieutenant, both cited documentation from outdoor range experts that stated it would take 30,000 years for lead from a range to infiltrate six feet into the soil. The wells in that area are down about 85 feet. The documentation for this was not available. Using lead free ammunition and systematically culling the dirt backstops for the

removal of the bullets should eliminate any fears of contamination from this range. The last time the range was available for outside use it generated \$12,000 (1991) at \$25/day/range. The borough ordinance now specifies \$40/day/range.

Recommendation:

It is recommended that the borough make the range available to outside agencies again.

Revenue Enhancement: \$19,000

FIRE

The Sayreville Fire Department is made up of four volunteer fire companies. Each individual fire company has its own set of by-laws and internal organization. In the borough code key, aspects of the fire department's operation are delineated. The code creates a borough fire department and addresses membership, training, rotation of department superior officers, duties of members and disciplinary procedures. This has brought the four independent companies together so that they form one organization, the Sayreville Fire Department. This sense of commitment to the common "fire department," while remaining loyal to the individual fire companies, is commendable. The ISO protection rating is 5, which is typical for a volunteer fire department.

The cost of operation to the borough was \$238,999 in other expenses in 1997 and \$57,800 in debt service on buildings and equipment.

N.J.S.A. 40A:14-34 limits the amount a municipality may appropriate to volunteer fire companies. The Attorney General's letter of January, 1983, M77-3533 further defines those limitations.

The NFPA (10-24) recommends that volunteer companies respond with at least four members per engine company. The typical response to a structure fire is three companies - two pumpers and a ladder and 17 fire fighters. According to the 1997 NFIRS report, the department responded to a total of 507 calls including:

- 27 building fires
- 30 vehicle fires
- 139 other fires
- 196 total fires
- 121 false alarms

In 1997 the total dollar loss from fire was \$3,000 and there was one fire related injury and one death.

Recommendation:

It is urged that the borough review, with its attorney and auditor, the money appropriated in support of the volunteer fire companies, to determine that it is proper and in accordance with the statutes and the attorney general's opinion.

Organization/Staffing

The position of chief of the department rotates among the four companies in accordance with the borough code section 3-3.2. The average number of members in each fire company is 30. This number varies and is limited by ordinance to 40 per company. Each company has staffing problems during the daytime work week so all alarms during the day are treated as general alarms, so that they have enough manpower to respond. There are a number of municipal employees that serve in either the fire department or the EMS Squads and employment preference is given to volunteers. A very clear advantage of operating the fire companies as one department is the ability to consolidate functions.

Training

There is one training officer for the four companies. The officer in charge is currently a state certified instructor who is employed part-time at the Middlesex County Fire Academy, located in Sayreville. All state mandated training is offered four times so that members can schedule their own training times. The schedule is disseminated well in advance. All training is documented and records are maintained in the training office located in the police building. All training is from published lesson plans kept on file. Although the fire department offers a thorough set of training programs, there are times when members take courses from other sources, such as another fire department or a police or EMS program. These courses are currently not automatically applied against the required training for volunteer fire fighters.

The borough is commended for its systematic departmental approach to training within the fire department.

Recommendation:

The team suggests that equivalent training obtained from other sources be documented and accepted so that these volunteers need not sit through repetitive sessions.

Safety Officer

One safety officer has been designated for the fire department. The designated safety officer is a full time senior instructor at the Middlesex County Fire Academy. The safety officer has been charged with standardizing compliance with the safety provisions of the Sayreville Fire Department's general operating guidelines and assuring that they are consistent with the relevant NFPA standards. At an emergency incident, the safety officer reports to the incident commander or the chief, identifies and causes correction to health and safety hazards at the incident site.

Procedures/Reporting

The ordinance also directs the chief to deliver, to the council, a report showing the number of alarms, the number of fires and the amount of loss due to fire; the condition of the fire houses and the apparatus, together with an annual inventory of each company's apparatus, equipment and supplies. This report is directed to be made to the council at the December meeting. This has not been done for 1997. None of the fire companies had any asset list other than the apparatus list.

The department has developed and published a set of general operating guidelines. These guidelines are up to date and comprehensive. They provide the direction and guidance needed to standardize these four companies into one fire department and enables each firefighter to refer to a common document for proper procedure. This is a very important asset and every effort should be made to keep this current and relevant.

The fire department is commended for having a current published set of operating guidelines which is actively used by all volunteers.

Equipment

The current fleet of apparatus consists of 19 vehicles including:

- two aerial ladders;
- eight pumpers (one spare, one mini);
- three brush trucks;
- three chiefs cars; and
- three vans.

According to NFPA (10-10):

“Ladder companies are provided in relation to the degree of urban development and the need for aerial apparatus. In a densely developed city, one ladder company may be provided for every two or three engine companies. In rural and sparsely populated suburban areas, the functions normally performed by ladder companies often are assigned to engine companies carrying additional equipment.”

This department now operates two ladder trucks. The older of the two has a value of approximately \$150,000. Based on the NFPA guidelines cited above, this piece of equipment can be sold and the money returned to the borough. This would result in an annual savings of \$6,000 for maintenance costs.

Recommendation:

Sell the older ladder truck.

One-time Revenue Enhancement: \$150,000

Cost Savings: \$6,000

This department operates six class “A” pumpers. The NFPA (10-23) states:

“A large city fire department may operate one engine company per 15,000 to 20,000 population and still have a large number of well-distributed fire companies, whereas, a city of 30,000 could not be properly protected with only two engine companies.”

The NFPA also addresses mutual aid and its impact on the equipment needs of the department:

“Mutual aid plays an important role in providing additional resources. Almost all jurisdictions rely, to some extent, on mutual aid from surrounding areas to provide fire-fighting resources on a routine or major basis. Some departments use automatic mutual aid on initial response. Even large cities are making increased use of both regularly assigned and automatic mutual aid. Often this is practical because companies from neighboring fire departments may be much nearer to a fire than some of the local fire companies.”

With this in mind, we propose that the department reduce the number of pumpers it operates. Two pumper trucks can be sold. The team suggests the borough dispose of Engine 1, a 1978 Mack described as in good condition, which cost \$7,089 to maintain last year. Engine 3, a 1988 Hahn described as in fair/poor condition, cost \$5,794 to maintain last year. Auction value of the pumpers is \$5-7,000 each. This would leave the department with four front line class “A” pumpers, one spare class “A” pumper and a mini-pumper.

If the number of pumpers is not reduced, the stated goal of the department is to replace Engine 3 with a pumper that would be identical to the last one purchased, which cost \$380,000.

Recommendation:

Reduce the overall fleet by two pumpers.

Cost Savings: \$12,800

One-time Revenue: \$10,000 - \$14,000

One-time Cost Avoidance: \$380,000

If the above recommended equipment reductions were undertaken, the borough could then reassign the remaining equipment throughout the four companies to ensure proper coverage. Also, a formal mutual aid response plan can be drawn up with surrounding fire departments to establish a policy that would ensure proper response to alarms.

Apparatus Procurement

The department purchased a new truck in 1997. This truck cost the borough \$381,250. The bids for this vehicle were written so that only one manufacturer could bid. The purchased vehicle included high performance features that are not needed in a community such as Sayreville and ornamental options that do not impact the vehicle's performance at a fire. A similar and sufficient vehicle could have been purchased for \$100,000 less. In a period when municipal government is reducing and streamlining services and costs, purchasing an extravagant vehicle should be strongly objected to by the taxpayer. According to NFPA (10-208):

"In municipalities, the actual purchase is usually handled by a municipal purchasing department. The purchasing department should not try to tell the fire department what type of fire apparatus it should use, but should see that required procurement procedures, such as open competitive bidding, are followed."

A survey of the larger paid departments found that they are buying very capable pumper trucks for about \$250,000. For example recent purchases cost Paterson \$245,000, Jersey City \$249,000, Newark \$215,000, Trenton \$285,000, Elizabeth \$300,000.

The team agrees with the current chief of the department's objective of standardizing apparatus and we believe that having specifications developed by a consultant is an effective way of assuring that the equipment specified is appropriate for use by any or all of the fire companies.

Recommendation:

The team suggests that, in the future, a consultant be retained to develop specifications for the next major equipment purchase.

Standby Pay

Members of the Sayreville Fire Department get paid for standing by in the firehouse when circumstances call for it. For example, when there is a significant snowstorm and the roads are bad, the chief will decide to staff the fire houses with four fire fighters each. This is done to ensure a timely response to an event. The fire fighters are paid \$10 per hour for standing by. This is funded by the borough, but the borough gives the fire company the money and then the fire company cuts the checks for the fire fighters. The companies do have records of these transactions. Last year was a light year at \$6,150, but previous years have been as much as \$25,000. The protocol is for the chief to call the councilperson who chairs the public safety committee to inform him of the impending standby. The councilperson has never objected.

Clothing Allowance

This expense is described as a way to reimburse firefighters for ruined clothing or to clean clothes damaged during a fire event. The disbursements are calculated by a formula that rewards attendance at fires, call outs, drills and meetings. As with standby time, the borough issues a check to the individual fire companies and the company then issues checks to the firefighters. In 1997, \$93,500 was expended on uniform allowances for 111 fire fighters. It is fairly clear that no 1099s are sent out for the volunteers nor are taxes deducted.

Recommendation:

It is recommended that the procedures for disbursing money to volunteers be reviewed to assure compliance with state and federal tax laws.

The two items above are pushing this department toward what the NFPA refers to as a “call fire fighter” this is described under call fire fighter in NFPA section 10-25:

“Still another method of compensation is to make an annual appropriation for call fire service, based upon past experience, designed to approximate the hourly wage rate for fire fighters. This is divided on a regular basis among the call members as determined by individual attendance at fires and training sessions, so that members responding most faithfully receive the largest compensation. A fire department should pay for members insurance, workers compensation and all protective equipment.”

The problem with this possibility is described in the first paragraph of the call fire fighter section:

“In some cases, such members are loosely termed ‘volunteers,’ but, under federal labor and local fire department rules, they are considered paid employees of the fire department and, as such, are subject to the requirement of federal wage and hour regulations”

Recommendation:

It is recommended that the policies for stand by and clothing allowance be revised to assure the fire fighters’ volunteer status is maintained.

Vehicle Maintenance

This department sends all of its pumpers and ladder trucks to the Fire & Safety Services Co. for preventive maintenance (PM) service. During this time any other work that is needed is identified and addressed. The total amount paid to this vendor in 1997 was \$45,404. This was spent without any bid, price quotes or state contract. According to the vendor, the prices charged were retail with no discount. An alternative would be to go out to bid on this type of service. The PM program can be bid as a package and the discovered repairs can be bid at an hourly rate with a discount on the retail parts cost. This has been done effectively through the Morris County purchasing cooperative for “Repair and Rebuilding of Fire Water Pumps on Motorized Fire Apparatus.” They used the following wording:

“Bidder to quote the hourly rate they will charge for repairing and rebuilding the pumps mechanics, gauges, valves, piping and other essential components of pumps unit on our existing Fire Apparatus. All repairs are to be made at the Fire Station in which the apparatus is housed or at any other site that is agreed upon by the bidder and the Fire Chief. Bidder to quote any mileage charges that will be applied and if the hourly rate charges is to include the mechanic’s travel time

to and from the participating members location. Bidder to state the discount that will be allowed on the price of the parts used in the repair process and also the discount on the price of parts purchased by the owner. Bidder's mechanics must be certified to be completely qualified to properly service HALE, WATEROUS, JOHN BEAN and other nationally known fire pumps. He must also have complete service manuals and parts list for said pumps."

If the department can reduce the number of trucks it supports this number can be reduced. If a contract was bid for vehicle maintenance, this should be an area for additional savings.

For fire department vehicle maintenance in 1997, \$45,000 was budgeted and \$51,676 was expended in total. A comparison of Sayreville's expenditures and the Morris County contract revealed that parts and labor prices were consistently 25% lower in the competitive contract than Sayreville had paid in 1997.

Recommendations:

It is recommended that the fire department make all purchases in compliance with state purchasing regulations.

It is also recommended that preventive maintenance for fire vehicles be competitively bid.

Cost Savings: \$6,601 - \$11,351

Contracted Service

The fire department contracts with the East Brunswick Fire District #1 for fire service coverage for the area of the borough west of Jernee Mill Road. The service costs the borough \$7,500 annually. The distance from the East Brunswick department to this area is 1.2 miles, the distance from Engine Co. 31 to the area is 4 miles, and the distance between President Park Station and this area is 4.5 miles.

Facilities

All four buildings are owned and maintained by the borough. Everyday housekeeping duties are the responsibility of the individual fire companies. The borough gives each company \$6,210 for this purpose. One company designates a person as the janitor for the year, issues a check for that full amount to that person and he is charged with maintaining the building. The others deposit the funds into the company account and a committee is formed to share in the housekeeping chores. The buildings all looked clean and well maintained.

Before the President Park Company became a part of the borough department, the building was owned by the fire company and they rented out the hall and kitchen facilities to help cover the cost of operation. In 1992, the borough assumed the mortgage and now owns the building. The practice was stopped so that President Park would not have any advantage over the other three companies that do not have this capability. Since the borough now owns the building, the borough could rent the facility and treat it as it treats any of the parks and fields that they rent out

during the year. The borough can expect \$20,000 to be realized given the continued interest noted by the fire company from the residents in the area.

Recommendation:

It is recommended that the borough rent the hall to generate revenues to offset the cost of fire services.

Revenue Enhancement: \$20,000 annually

Lounges

It was observed by the team that each fire company operates a lounge for the fire company members. Within these lounges they sell beer, either from taps or vending machines, to the members and their guests. When asked about having a license to do this, they stated that they did not. This raises questions concerning the borough's liability and lack of compliance with ABC laws and regulations.

Recommendations:

It is recommended that the borough have a thorough review performed by the borough attorney and its risk manager and that all actions recommended to limit the borough's liability exposure be implemented expeditiously by the borough.

The borough is urged to take immediate steps to assure that the volunteer fire companies are in compliance with ABC laws and regulations.

EMERGENCY MEDICAL SERVICES (EMS)

Two volunteer squads provide EMS services in Sayreville -- the Sayreville Emergency Squad and the Morgan First Aid Squad. These squads are recognized as comprising the emergency medical services department under the authority of the recently enacted local ordinance #491-97. The ordinance establishes minimum training standards and delegates authority for determining the organizational structure, membership, and rules and regulations to the squads through their by-laws. In addition, the ordinance gives the mayor and council the option of reviewing the by-laws and control of all borough purchased property and equipment.

The Morgan First Aid Squad was originally a part of the Sayreville squad. It started as a satellite station because of the distance from the borough hall location to the Morgan section of town. After a period of time, they split and became independent squads. This split was the subject of a court judgment filed May 8, 1970. For purposes of service delivery and fundraising, the judgment gave the Morgan squad responsibility for the area east of Route 9 and gave the Sayreville squad responsibility for the area west of Route 9. The Sayreville squad responded to

1,778 alarms in 1997, an average of 148 per month. Of those calls, four were for water events. The Morgan Squad stated that they average 125 calls per month or 1,500 calls per year. The Morgan figure cannot be verified because their records were destroyed in a fire.

The borough provides the buildings and insurance coverage of both the borough and squad owned property, as well as the clothing allowance. The squads purchase and maintain all of their equipment and vehicles. The total annual costs of the operation to the borough was \$78,784 and an estimated \$106,539 in capital debt service costs which are detailed below. The members who have undergone training for rescue work have received class "A" bunker gear from the borough costing \$1,425 each for 20 members since 1992.

	Morgan	Sayreville
Insurance	17,304	23,720
Uniform Allowance	12,500	12,500
Other	6,210	6,585
Subtotal	36,014	42,805
Capital Costs 1997	(200,000) 5,085	(1.8mil) 101,454
Total by Squad	41,099	144,259
Grand Total	185,358	

The team made repeated attempts to get by-laws and financial data for the Morgan squad, through the president of the Morgan squad as well as through the business administrator, but was unsuccessful. This same information was readily available from the Sayreville squad.

The total 1997 annual operating budget for the Sayreville squad was \$114,578 and they collected \$88,106 in donations.

Recommendation:

It is recommended that the borough review with its attorney and auditor, the requirements of N.J.S.A. 40:5-2 and the attorney general's opinion M77-3533, January 12, 1983, regarding limits to supporting the operations of volunteer rescue squads to assure that it is in compliance with the law regarding such contribution limits.

Membership

The Sayreville Squad has a total of 54 members, of which six are available during the day. The day coverage has not been a problem so far and the borough has a policy of giving priority consideration to employment candidates that serve in the volunteer fire and EMS departments. Membership in the Morgan squad is 29.

Facilities and Equipment

The larger of the two squads is the Sayreville Emergency Squad, currently located behind borough hall. The Morgan First Aid Squad building, located on Route 35 in the Morgan section, was destroyed by fire on January 3, 1998. The Morgan squad is currently working out of a warehouse on Washington Avenue.

A new headquarters is being built for the Sayreville Squad on Washington Avenue at a cost of \$1.8 million. This building will replace the facility located at the rear of borough hall, which is clearly inadequate. The squad has a fleet of three primary ambulances that are used for most calls and transports. Two were purchased in 1994 and the third was purchased in 1997. A fourth 1986 ambulance with a patient capacity of 4 is used to respond to motor vehicle accidents. The squad has two rescue trucks. One is configured to respond to water events and tows a Boston Whaler type boat and carries an inflatable zodiac boat inside. The other rescue truck is used to respond to motor vehicle accidents and fires. They also have a Ford Expedition configured as a first responder vehicle and, thus, allows the person using it to go directly to the scene to start treatment while awaiting the arrival of an ambulance. This vehicle is assigned to trained individuals who are available within the borough. All equipment is reported to be, and appears to be, in excellent condition.

As mentioned above, the Morgan first aid squad building was lost to a fire in January, 1998. All of the rolling stock was saved. Current plans are for the borough to replace the burned out building using the insurance proceeds. According to the architect, the estimated replacement cost of this building will be \$750,000. The replacement will be covered by the borough's insurance minus a deductible of approximately \$35,000. The building that was lost was carried on the tax rolls as having a value of \$65,000 for the land and \$516,000 for the building. The assessed value would have generated \$12,487 in property taxes for the borough. Morgan's rolling stock includes three type three ambulances including a 1998 Ford with a remounted body from a 1988 ambulance, ambulances purchased in 1991 and 1993, one rescue truck and a Boston Whaler type boat and trailer. All appear to be, and are reported to be, in very good condition. Most of the equipment the squad owned that was not on or in the vehicles was lost. The borough insurance will cover replacement of the equipment. In the interim, the squad has replaced a very small amount of equipment from their own funds in order to maintain operations.

Although the two EMS squads operate independently, it is the team's recommendation that the two squads not only be collocated at the new facility but also merged into one organization. This recommendation is made to cut costs, counteract duplication of resources, improve accountability, and improve the ability of the squad to recruit from a larger population base.

The relocation of the Sayreville squad from the borough hall location to the Washington Avenue location results in a more central location. The team looked at the feasibility of collocating the Morgan Squad with the Sayreville squad with respect to response distance. The driving distance from the new building to the farthest part of the Morgan section would be about 4.2 miles. This is about one mile more than the new building to the farthest part of the Sayreville response area (3.5 miles). This apparent increase of response distance can be addressed either by locating the first responder vehicle closer to the Morgan section or by having the South Amboy squad

respond to the Morgan section if a delay of the Sayreville squad is apparent. This can be addressed with a protocol established between the squads or the borough and South Amboy. This is consistent with the mutual aid support already being provided for both Sayreville squads.

Just collocating the squads would allow the borough to take the insurance for the building destroyed by fire, which is estimated to be \$516,000, and return it to the taxpayers. It would also allow for the generation of another \$65,000 from the sale of the vacant land. Annual savings on the cost of maintaining the second building would be \$6,210. In addition, the parcel of land would be returned to the tax rolls generating \$1,573 on the unimproved land value.

In order to establish a benchmark for number and location of ambulances, the team looked at two towns where, because of shortages of volunteers, a private company was contracted to provide coverage during the day. Piscataway, Middlesex County, population of 50,936, and 18.78 square miles and Old Bridge, Middlesex County, population 59,409, and 38 square miles. In both cases, the contractor provided service with two ambulances. Sayreville with a population 37,352 and 16.13 square miles currently supports seven ambulances and seven other pieces of equipment.

Together the two squads purchase and maintain seven ambulances, three crash/rescue trucks, three boats and a first responder truck. The borough bears the cost to insure and house this equipment and residents voluntarily contribute to the support of the operation. If the two squads were merged, the number of vehicles could be reduced by at least three ambulances, one crash truck and one boat and trailer for annual insurance savings of an estimated \$17,304. Additional savings would be realized by avoiding the cost of purchasing the new radio equipment planned for this squad. The value of the five mounted mobile radios, nine portables and one control station is \$36,089. The result would be an EMS service that has four ambulances, two boats, two crash/rescue trucks and a first responder truck stationed at the modern, centrally located, headquarters on Washington Avenue. This is more than adequate based on the benchmarks obtained by looking at two nearby communities that contract with a private EMS service.

Recommendation:

Merge the two EMS squads and locate them at the new EMS facility on Washington Road.

One-time Savings: \$516,000 for not replacing the building
One-time Revenue Enhancement: \$65,000 for sale of property
One-time Cost Avoidance: \$36,089 for reallocation of radio equipment
Cost Savings: \$25,087

COURT

While the team recognizes the separate authority and responsibility of the judicial branch of government, we have made the following comments and recommendations in an effort to provide the community with information on current and potential operations, procedures and programs

available to the court. Recommendations are made with the knowledge that further review and approval will be required by appropriate judiciary personnel.

In 1997, the operating expenses for the municipal court were \$374,160 for salary and benefits, \$11,617 in over time and \$52,233 for other expenses for a total of \$438,010. The court collected \$890,829 in revenues. Of these revenues, \$426,170 were retained by the borough. The court disposed of 12,334 complaints and added 12,469, of which 81% were traffic, 7% were local violations and 12% were criminal. Of the 10,146 traffic 6,684 were municipal moving violations, 598 were parking violations and an estimated 2,864 were NJSP violations. Court sessions are held approximately six times per month and a total of 21 special DWI sessions were held in 1997.

A significant factor affecting court operations is the fact that Sayreville is surrounded by the Raritan Bay and encompasses the Raritan Toll Plaza of the Garden State Parkway. In addition to handling the local police officers' complaints, the courts handle complaints from the New Jersey State Police (NJSP), NJSP Marine Division, and the NJDEP's fish, game and wildlife division.

Regular court sessions are held six times per month on Tuesday evenings and Thursday mornings and a total of 21 special sessions were held throughout the year.

Organization/Staffing

The court staff consists of two judges, a court administrator, a deputy court clerk, five full time records clerks and two part time clerks. The evening judge is assigned as the "chief judge." The court administrator has delegated specific job assignments to the staff pertaining to bookkeeping, NJSP, warrants, summons books, and coordinating court appearances. Of the municipal court's workload, 30% consists of complaints issued by the NJSP and one clerk is assigned to process these complaints. The deputy court clerk shares the courtroom duties with the court administrator.

Court Staff Schedule

The present court staff schedule requires overtime to cover the evening court sessions. In addition to receiving time and one half for overtime, any employee working more than ten hours is required by contract to be paid \$8 as a meal allowance. With the present staff, the court administrator should schedule at least one full time clerk and two part time staff members for the evening session thus removing structured overtime.

Recommendation:

It is recommended that the court administrator eliminate the structured overtime and meal allowances by rescheduling court personnel to the evening sessions of court.

Cost Savings: \$10,000

The judges receive additional compensation of \$250 per session for special sessions. Whenever a substitute judge has to preside because of illness, vacation or conflict of interest, the substitute receives \$150 per session. There were 21 special DWI sessions in 1997.

Recommendation:

It is recommended that the judges not be compensated for substitution or DWI sessions, as compensation provided is adequate to cover all contingencies.

Cost Savings: \$5,250

Borough police provide security during court sessions. However, the team found this to be inefficient and ineffective. On some occasions the judge had to instruct the police officer to call for the defendants in the hallway outside the courtroom. This delayed the court proceedings. When the door was opened from the courtroom into the hallway there was an enormous amount of noise from the waiting court patrons. This made it very difficult to hear the court proceedings and interfered with the recording of the proceedings.

Recommendation:

It is recommended that the police more actively manage the security in the courtroom to properly ensure that the courtroom and its surroundings are orderly and virtually free of disruption and confusion.

Facilities

The court sessions are held in a large assembly room in the police complex. The room has a capacity of 200 and the calendar typically has 150 cases. The police department is in close proximity to the courtroom and the court offices. The court facility is generally accessible for the physically handicapped and large enough to handle the calendar.

Case Management

The court uses both the Automated Traffic (ATS) and Automated Complaint Systems (ACS). These systems are used by court staff to record and manage traffic summons and criminal complaints. A review of the 1997 data provided by the court administrator indicates that the court received 12,469 complaints. The caseload disposed of was 12,334 cases. The current case load disposed of per employee per month is 128.4 and is considerably lower than that handled by other municipal courts.

Recommendation:

The team recommends that the borough eliminate three support staff positions. This would increase the disposed of caseload per employee to 205, a level similar to that achieved by other communities.

In addition, the Sayreville Court is disposing of cases at a rate of 98.56% of those added, increasing the backlog by 135 cases in 1997.

Recommendation:

It is recommended that the court develop a system and policies that will enable them to aggressively pursue productivity improvements that will enhance the case management to dispose of more than 100% of the added cases in an effort to dispose of the backlog of cases.

Shared Court Services

In March of 1997, Sayreville applied to the Division of Local Government Services for a joint services incentive grant to explore and research the possibility of establishing a joined or joint court with South Amboy. According to Sayreville's application for a joint services incentive grant, the joint venture is expected to derive benefits through the reduction of costs associated with the maintenance of two separate municipal facilities. The merged physical plant will reduce the overall costs for both communities and avoid the escalating cost of capital improvements. Long term cost savings will be achieved through the elimination of duplicate spending by the two communities.

Sayreville and South Amboy are commended for pursuing joint services and further commended for taking advantage of state resources available to support such ventures.

Time Payments

From time to time defendants are unable to pay the costs of their fines. In these cases, the judge may allow the defendant to make periodic payments called "time payments." The team reviewed the court's time payment accounts. In September, 1997, there was a total of \$622,482 in outstanding time payments. Six months later, in March, 1998, outstanding time payments had increased to \$625,000.

Recommendation:

The team recommends that the court administration aggressively pursue the time payments due by requesting permission from the AOC to be a pilot site for the use of a collection agency. It is estimated that they will recoup at least 20% of the delinquencies and pay as much as 20% of the receipts to the collection agency.

Retention of Records

Many of the documents held for retention by the court are stored in different locations throughout the court offices.

Recommendation:

It is recommended that the court administrator establish a specific set of policies and procedures pertaining to the retention of records and storage in order to ensure the security and confidentiality of the records.

PUBLIC WORKS

The Sayreville Department of Public Works consists of four divisions:

- Buildings and Grounds
- Parks and Playgrounds
- Roads
- Sanitation

The administrative staff consists of the director and three clerical staff. The cost of the office's salaries and benefits are \$141,283 and \$29,897 respectively for a total of \$171,180.

The department of public works is a good example of a department being led by an individual who is committed to being responsive to the public, while providing high quality services and holding down costs. This is accomplished through the energy of the director's leadership and by creating a system of accountability. For example, the director has instituted a complaint log that is maintained in the office and is used to generate written work orders to the respective divisions and names the complaint along with the address and phone number, so the foreman can contact the resident if more information is needed. The specific complaint and the action taken along with the workers assigned are also listed. This log showed 1,200 complaints in 1997. The director also requires weekly and monthly reports from the divisions to show productivity/workload and personnel actions.

FACILITY

The DPW functions out of garage bays that were never intended for the current use that are located behind borough hall and adjacent to a residential neighborhood. Both the condition of the facility and its size pose problems that hamper the efficiency of the operation, including:

- The area is not large enough to store all the equipment so some equipment is kept off site. This includes six conventional trucks at a cost of \$4,200 per year and it costs time to go get the trucks from the site to begin operations.
- The two new \$159,000 automated sanitation trucks are stored in a garage in which one wall is shored up with wood timbers to prevent it from falling down.
- The facilities are not ADA compliant.
- It is in a residential neighborhood and, therefore, they cannot clean the garbage trucks on site so they contract with a vendor for \$2,700.
- There is one bathroom for the 22 men and three women in the department.

- The buildings and grounds division functions out of a completely separate building because there is no space available at the facility. This hampers communication and coordination of resources.
- The police and DPW maintenance functions cannot be easily combined because of space limitations at both the DPW and police sites.

SANITATION

This division is undergoing major changes in its operation. Its staffing has been reduced from 23 workers in 1995 to 14 in 1998. The primary reason for this has been the implementation of automated refuse collection.

Currently for trash pickup, the borough is divided into three zones, with each zone having five routes which are serviced Monday to Wednesday. Heavy trash is picked up on Thursdays. White goods, leaves and tree limbs are picked up on Fridays. Dumpsters are serviced Monday through Thursday for schools, business and civic buildings.

Automated Trash Pick Up

Two automated trucks have been in service for a full year and are considered a success for several reasons. The borough provided the team with a detailed comparison of costs of the traditional 30 yard rear loading trucks and the 26 yard automated trucks.

The automated trucks cost \$159,000 each, \$18,000 more than conventional trucks. This was based on actual bids. The other additional fixed cost of the automated trucks was the cost of the 3,500 95 gallon containers, which cost \$47.77 each, totaling \$167,195. The containers have an expected life of ten years which translates to \$4.78 per household per year or \$16,730 per year.

Labor cost savings are estimated to be the cost of two sanitation workers or \$328 per crew day. In the initial implementation of this program the department transferred four employees to the water and sewer department to fill existing positions. This constitutes an actual savings of \$146,648.

The automated trucks have also had significant impacts on indirect costs such as workers compensation and sick days. As of November, 1997 the automated crews have 15 sick days and no injury days compared to the conventional crews taking 172.25 sick days and 17 injury days. The difference in cost to the borough was \$22,996. The borough received four additional automated trucks and additional containers to completely service the borough as of July 1, 1998 and is reported to be working well.

During the visit the team observed the sanitation trucks starting the routes at 7:00 a.m., going to the landfill between 10:00 and 10:30 a.m. (45 minute round trip) and returning to the garage between noon and 1:00 p.m. This indicates five to six actual working hours. If we assume six hours for the five routes, the routes require 30 hours three days per week for a total of 90 hours to collect all the trash in the borough. If the routes could be redrawn into three routes collecting five days per week three trucks would be required working six hours per day, this would still

allow for lunch hours, breaks, operator maintenance and landfill delays. This would enable the borough to reduce the number of automated trucks from six to four.

Recommendation:

Redraw the sanitation routes to have three routes five days per week.

Revenue Enhancement (one-time): \$280,000 from the sale of two automated trucks
Cost Savings: \$7,519 in reduced maintenance costs

The borough now has nine conventional garbage trucks, one is used daily for emptying dumpsters and four others are used two days per week to pick up heavy trash, leaves and white goods. The four that are used two days per week are used for 64 hours. If the borough divided the town into two zones and picked up four days per week, they could eliminate two of the conventional trucks. If they use one truck for dumpsters, two trucks for heavy trash, leaves and white goods and one truck as a spare, the equipment required would be reduced by five trucks. Four can be disposed of and one converted to other uses.

Recommendation:

Redesign the routes for pick up of heavy trash, leaves and white goods to have two routes over four days and dispose of four conventional sanitation trucks.

Revenue Enhancement (one-time): \$32,500 for sale of four conventional trucks
Cost Savings: \$10,732 in reduced maintenance costs

The number of people needed to operate the equipment under the revised configurations for both the automated and conventional pick ups would be three drivers for the automated trucks, three drivers for the conventional trucks and five helpers for the backs, (one for the truck that picks up the dumpsters, two on the back of the others) for a total of 11 workers, this would allow the reassignment of three workers to the road department.

Recommendation:

It is recommended that three workers be reassigned to roads in conjunction with the reconfiguration of the routes for both the automated and conventional sanitation trucks.

Productivity Enhancement: \$134,691 in salaries and direct benefits of three sanitation workers

Dumpster Service

The borough currently provides dumpster service for 16 dumpsters at 10 schools daily; 26 dumpsters at 19 "civic" locations; and 41 dumpsters at 29 select business locations. The actual cost for this service in 1997 was \$35,750 for 650 tons. The vehicle used for this is a conventional garbage truck with two employees -- a driver and a helper -- four days per week.

The truck they used last year cost \$4,363 to maintain. The driver and helper salaries for four days were \$72,793. Actual 1997 total costs were \$112,906. The maximum potential tipping fees, based on the capacity of the dumpsters that are in place, is \$129,600 based on a total of 185 cubic yards per week or 9,620 cubic yards per year which equates to 2,700 tons. The total potential cost of this service is \$206,756. The business dumpsters represent half of the workload and therefore, half of the costs or between \$65,552 and \$103,378.

Recommendation:

It is recommended that the borough stop providing this service to select businesses.

Cost Savings: \$65,552 - \$103,378

RECYCLING

The recycling center at Ft. Grumpy operates Monday through Friday and one half day on Saturday and processed 945 tons of recyclables including paper, glass, plastic, aluminum and tires in 1997. On Saturdays the sanitation supervisor and two drivers work from 7:00 a.m. to 11:00 a.m. at the overtime rate of time and one half. On Fridays, the dumpsters at the recycling center are emptied. If the hours of operation are changed to Tuesday through Saturday, the residents will have all day access on Saturday; the dumpsters can be emptied on Monday without the public being at risk when the trucks are moving about; and overtime can be avoided by scheduling the worker assigned to this facility Tuesday through Saturday.

Recommendation:

Change the recycling hours of operation to all day Tuesday through Saturday; empty the dumpsters on Monday; and schedule the recycling worker for Tuesday through Saturday.

Cost Savings: \$17,890

Yard Waste

The borough has an aggressive yard waste program. Last year they recycled 950 tons of grass clippings resulting in a savings of \$52,273. The cost of biodegradable bags for this program was \$35,000 and was taken from a prior grant. The borough bought 100,000 bags at .2186 per bag using the Co-op purchasing agreement with Piscataway Township, and delivered 10 bags to each house. This was done whether they needed the bags or not. This was done to get the program started. This year they have \$30,278 left in that grant so they plan to pay for the bags again. If the borough bought the bags but no longer delivered them, interested residents could pick them up at borough hall and have the user reimburse the borough for the cost. This will enable the borough to fully realize the savings from this program. The borough has used a grant to give \$25.00 vouchers toward the purchase of a mulching mower or a mulching blade conversion kit. This has resulted in 260 purchases or conversions of mulching mowers.

Tires

Tires are collected at the recycling center at Ft. Grumpy for free. They are taken to Absolute Salvage. The cost for 1997 was \$2,298. The tires can be taken to the county collection site for free but they must be taken from the borough's dumpster by hand and stacked into a trailer at the county site. This would be costly unless community service workers were used. Another possibility would be to charge a fee for the collection. The cost to dispose of the tires was \$100 per ton. The average weight of a tire is 20 pounds. So if there are 100 tires per ton, a disposal fee of \$1.00 per tire would cover the cost of disposal. Most retail tire stores charge between \$1.00 to \$2.00 per tire to dispose of the tires. The borough has in place an ordinance in section 13-7 that establishes a fee of \$2.00 for the first tire and \$1.00 for additional tires. This fee is currently not collected.

Recommendation:

It is recommended that the borough enforce collection of the nominal fee established by ordinance to cover the cost of disposing of tires.

Revenue Enhancement: \$2,300

The clean communities grant is run through the recycling office. The borough received \$39,798 in both 1997 and 1996. The money is used for litter abatement at 14 locations. Signs recognizing the organizations responsible for each area are provided by the DPW. There is good coordination between recycling and the sanitation division. The DPW knows where and when the groups are working so that the bags are picked up the Monday following the collection.

ROADS

The roads division is tasked with maintaining 100 road miles over 500 streets within the borough. There are currently five employees, one of which is assigned to the Ft. Grumpy recycling facility during the week. The workers are being dispatched with written work orders and turn in written work completed forms so that the work is being controlled and documented.

The roads division is responsible for the borough's 3,705 catch basins, which are only cleaned out by hand on an ad hoc emergency basis because of a shortage of staff and a lack of appropriate equipment. The purchase of an \$180,000 Vector truck would be required and is addressed in the water and sewer section.

Recommendation:

The borough is strongly urged to invest in the appropriate equipment and reassign sanitation workers to the road department to participate in a preventive maintenance program for the catch basins in conjunction with the water and sewer department.

Value Added Expense: addressed in the water and sewer section

Snow Removal

There are 12 pre-planned snow removal routes and more than 18 pieces of equipment that can have plows attached to them including sanitation trucks, medium size dump trucks, and some smaller pick up trucks. The division is well prepared to manage snow removal in a systematic fashion.

The DPW converted a surplus conventional garbage truck into a heavy duty plow. This type of vehicle was needed by the road department but had not been purchased because of funding restrictions. The conversion was done in-house using an existing salt spreading system that during the snow season was previously mounted on a tandem dump truck. This limited the use of the dump truck while it was configured this way. The conversion cost about \$3,600 for materials and resulted in a vehicle that would have cost \$90,000 to purchase. There are plans to utilize another excess chassis by purchasing several types of roll-on, roll-off bodies.

The borough is commended for identifying means for maximizing the usefulness of its equipment.

STREET SWEEPING

Street sweeping of 200 curb miles is done twice per year in-house by the road department. The operation takes six weeks per rotation. The cost of the driver for 12 weeks is \$11,744. The equipment used is a vacuum type sweeper which cost \$110,000 eleven years ago. This type of sweeper is intended for a more level area like a parking lot. A new sweeper would cost approximately \$145,000 and sit idle for 40 of 52 weeks. The estimated annual cost of the purchase of a new street sweeper is \$18,000. The cost to maintain this sweeper in 1997 was \$3,737. Total annual cost then is \$33,481 or \$168 per curb mile. A recently bid competitive contract for a similar road configuration cost \$122 per road mile.

Recommendation:

It is recommended that the borough contract out street sweeping.

Cost Savings: \$9,200

The road department is storing road salt at the county maintenance yard in Sayreville. This could be an example of productive cooperation between government entities. However, a reluctance on the part of the county to give Sayreville direct access to the property causes delays for the borough and overtime for the county. The problem is when the borough needs salt and the county has not called their equipment out, there is a delay trying to get a county person to unlock the facility and it costs the county overtime to support the borough.

Recommendation:

It is recommended that the borough and the county work together to improve what could be an exemplary cooperative arrangement.

BUILDINGS AND GROUNDS

Buildings and grounds maintain 19 buildings using seven employees. They also provide custodial service for seven buildings with three full and four part time employees. The cost of this service works out to be \$1.30 per square foot. This compares favorably to the current NJ State contract that offers this service from \$1.60 to \$3.00 per square foot. (See Appendix B)

All maintenance work is controlled by written work orders and end of day reports by crew reflect the days work. The supervisor is working in an acting capacity pending a civil service appeal. He has a Master Plumbing License and is a motivated leader. There is no licensed electrician on staff. Electrical, HVAC and overhead door repairs are contracted individually, as needed. There are no yearly contracts for these services. Each job is solicited by either price quotes or, if not reaching the threshold for quotes, by single proposal. Building and grounds contracted \$17,500 for outside work.

Recommendation:

It is recommended that hourly rate and materials bids be solicited on an annual basis for performance of miscellaneous electrical projects.

This division is now working out of the senior center. They are located on the third floor, which causes extra work and time delays during the day. It takes extra time and effort to receive deliveries which are unloaded in the parking lot, then taken up to the third floor by an elevator that is used by the seniors. Once upstairs there is a lack of secure storage. This hurts efforts to buy in bulk to ensure the best price for non-perishable items. The division also must store its vehicles in three different locations, (DPW, sewer and police complex). This adds time to the start and end of the workday.

Recommendation:

It is recommended that this division be co-located with the rest of public works at such time as a new facility is designed and built.

PARKS AND PLAYGROUNDS

This division is tasked with maintaining 28 parks, nine bus shelters and cutting grass, trimming and policing 40 locations throughout the borough. This is done with six full time workers. The division's workers are dispatched with written work orders and return with written work completed forms that allow the supervisor to ensure that the work was accomplished and how much time it took to perform each item tasked.

The River Road boat launch needs major bulkhead repair, which is well beyond the capability of in-house workers. This must be addressed before a lawsuit occurs. This operation requires one

person assigned to monitor the operation and check for a resident pass to use the ramp. This could be handled by a part-time employee hired for the summer, rather than a worker from the parks division.

This division utilizes 20-25 community service workers twice per month, seven hours a day. This requires a supervisor to be brought in on overtime. The supervisor plans this action well in advance and gets a great deal accomplished through the use of these workers. The value of the labor is estimated to be at least \$26,880 versus the overtime cost for the supervisor of \$6,106 for a net value of more than \$20,000.

Burke Park has a full kitchen and rest rooms available. This park is used by permit 35-40 times a year. The parks division requires one worker to be present during the day. Events run between 50 to 1,000 people at a time. This, in turn, creates ten hours overtime on Saturday at time and one half and ten hours on Sunday at double time. The overtime charged to this in 1997 was \$6,320. This person opens the kitchen and bathrooms and cleans up at the end of the day. Another way to handle this would be for the group getting the permit for Saturday to pick up the keys on Friday at the park from a worker so they are told what is expected of them. They must leave a deposit to ensure the bathrooms and the kitchens are clean when they are done. If the park is clean upon inspection, the deposit is returned to them. On Sunday a worker can be assigned to open the facility at the start of the event for two hours of overtime. During this time the employee can restock the bathrooms and the kitchen and sign off on the previous event and perform any tasks not done by the previous user. On Monday a worker can inspect the area and sign off on the deposit.

Recommendation:

It is recommended that Burke Park be self supporting in terms of its use by the public. Permit fees should cover administrative costs and all overtime costs should be covered by the user.

Wood chip mulch that is used by the borough around the parks and the playground areas is collected by the borough for free. Tree contractors working in the borough deposit the chips at a site and the borough workers turn the piles to prepare the mulch for use. The contractors are happy to dispose of the chips for free and the borough gets a product they would normally have to pay for. The price for this product varies between 50 to 60 dollars a ton. They use about 110 tons a year. This program has saved the borough \$11,000 in two years.

The borough is commended for this creative cost saving measure.

This division runs an Adopt-a-Spot program. Eleven Adopt-a-Spot sites have been identified throughout the borough. Organizations and businesses request a site, develop it, landscape it and maintain it. The site is identified with a sign crediting the organization. The division oversees the plan for the site to ensure the site will not require excessive maintenance if the site is abandoned. Prizes are awarded for best sites.

The borough is commended for identifying a means of harnessing volunteer resources and creating a stronger sense of community in the borough.

The parks division monitors compliance of the contractor who cuts grass during the cutting season. The borough bid out the maintenance of 16 parks and locations throughout the borough. This consists of all fields and most parks. The contract calls for the grass cutting, fertilizing, weed control, fertilizing and mulching flower beds, raking leaves and general clean up, topsoil and seeding. The specifications are detailed both in the work to be performed and the compliance for payment. The cutting season is delineated as 35 weeks. This year's maximum cost will be \$135,280. The contractor averages 15 laborer days per week. Each day averages 12 hours. 180 hours per week for 35 weeks is 6,300 hours for just the grass cutting portion of the contract. The borough paid a laborer in 1997 the rate of \$21.69. (42,291, 37.5 hours/week). This would cost \$136,647 just for labor in cutting grass. The contract costs for top soil alone is \$15,000 - \$18,000. Equipment maintenance, labor costs for the seeding, fertilizing etc., and administration all would add to the borough cost. Therefore, cost savings resulting from the use of a private contractor can be estimated at well above 20% or \$27,329.

The borough is commended for cost effectively contracting out for grass cutting and grounds maintenance services.

Tree service for the borough is done on an as needed basis and cost \$3,755 in 1997. The non-emergency work is recorded and when there is enough work (10-12 trees) they get price quotes and contract out the job. For emergency work they get whoever answers the phone and then pays the bill.

Recommendation:

It is recommended that tree work be bid annually. Based on types of jobs and the number estimated to occur, the bid could include rates for normal work and for emergency service.

VEHICLE MAINTENANCE

Vehicle Maintenance for DPW is now housed at the borough hall complex. This garage consists of 3.5 bays, two of which are large enough to house the large conventional garbage trucks. There are no lifts for large trucks and the building is not tall enough to lift these large vehicles to work under them. This limits the amount of in-house repairs and causes workers to crawl under trucks to do the preventive maintenance they can do.

This garage works on all borough vehicles, except the police vehicles, and is staffed by four mechanics. Computer records are maintained by vehicle for all maintenance actions. When working on vehicles from other divisions, the cost of the parts are charged back to the division that owns the vehicle. The labor charges are absorbed by the DPW unless overtime is incurred. When the DPW garage is busy or the work is beyond the ability of the DPW, the vehicles are sent out for repair. The DPW estimates that 20% of the work is sent out.

The DPW has two 6,000 gallon fuel tanks at the garage, one for diesel and one for gas. It is an automated system that is old and in need of replacement. The system often fails and there is no mileage recording component. A new system would allow for mileage reports to be used to track vehicle use and maintenance due actions. The current system is used to track the amount the Board of Education (BOE) is billed for fuel on a quarterly basis. In 1997 the DPW received 54,924 gallons of mid-grade gas costing \$44,021 and the BOE used 8,325 gallons or 15% and paid \$6,660. If the borough used the state contract for regular gas it would have saved a total of \$7,551, the BOE portion of that was \$1,133. A total 61,213 gallons of diesel fuel were delivered costing \$41,648 and the BOE used 12,527 gallons and paid \$8,518. If they used the state contract the borough would have saved \$5,409, the BOE portion was \$1,102. Because the borough switched to premium grade gas in 1998, the savings estimated below will actually be higher.

Recommendation:

It is recommended that the borough use regular gas and that the borough use the state contract for gas and diesel fuel.

Cost Savings: \$12,960

The mechanics work overtime once a month for four days, four hours each. They do this to service the garbage trucks. This can not be changed until they eliminate some of these trucks. The mechanics' hours are 6:00 a.m. to 2:30 p.m. and summer hours are one hour earlier. The mechanics come in early to prep garbage trucks.

The average cost per vehicle maintained by the DPW garage is \$4,345. The average cost to maintain the police fleet is \$2,550 per vehicle. Both these costs are comparable with industry standards. The average cost for the entire fleet is \$3,520 per vehicle. Savings can be found if the two maintenance functions DPW and police can be combined. The immediate savings from consolidation would be a reduction in overtime. The majority of the overtime is the result of servicing the garbage trucks after the normal workday or on Saturdays. The addition of the police mechanics to the four DPW mechanics would enable them to schedule half the people from 0600 to 1400 and the other half from 0100 to 1800. This would give both functions the flexibility needed to service these fleets without scheduled overtime. The DPW mechanics' overtime last year was \$47,000. The schedule change would result in a savings of \$30,000.

Recommendation:

It is recommended that the police and DPW vehicle maintenance functions be combined and that the mechanics' schedules be rearranged to increase the number of hours covered without overtime.

Cost Savings: \$30,000

WATER/SEWER UTILITIES

STAFFING

The organizational structure of the water and sewer department calls for a municipal department head, municipal engineer for water and sewer and a clerk. At the water treatment plant, which the engineer directly supervises, there are four plant operators and two maintenance workers. At the McArthur Avenue plant there is a supervisor and a senior sewer maintenance worker who supervises nine other employees. In borough hall, the billing and collection department has a supervising clerk typist, senior clerk typist, data entry machine operator and a cashier. There is a part time co-op student who works from September to August for \$6 per hour for four hours a day. In 1997, the water and sewer operation employed 26 people with a salary and direct benefit cost of \$1,291,318.

This department will undergo a change in leadership with the upcoming retirement of the current department head. The borough should take this as an opportunity to consolidate the water and sewer operations into the department of public works. This would allow better coordination of, and therefore, more cost effective use of equipment and manpower. These departments share many closely related tasks and would be able to share equipment and vehicles. In addition, the water utility would benefit from the effective management practices demonstrated by the current public works director. This would eliminate the cost of the current department head.

Recommendation:

It is recommended that the borough consolidate this department into the Department of Public Works.

Cost Savings: \$78,974

WATER

Sayreville owns twelve wells at the Bordentown Avenue plant, of which two produce contaminated water that is taken to the Hercules Chemical Co. for treatment and disposal. This practice contains contamination within a known area. Two others are being used to produce treatable water. The remaining wells have not been used for purposes other than sampling, due to contamination. There are five other wells located in the Morgan section of the borough. Four of these wells can be used to produce water, the fifth is being used for sampling. The borough has a contract with the Middlesex Water Co. to purchase a minimum of two million gallons per day (m.p.d.) of treated water that expires April 30, 2008 and can be renewed for an additional twenty years. The maximum amount of water taken from this source is 3.5 million gallons per day. The borough spent \$946,502.27 in 1997 on this source. The cost per million gallons delivered was \$1,425. Another source of water is the Duhernal Water System. This system is owned by Dupont, Hercules and the borough. The stated purpose of this system is to produce a continuous supply of a large volume of high quality raw water each for its own purpose. It cost the borough \$1.8 million in 1994 to buy its share of the company. This gives the borough 1/3 of

the water distribution rights. The rates charged are based on the fixed and variable costs that are described in the agreement. The borough spent \$380,641 in 1997 for this water. The cost per million gallons was \$1,354.

The unaccounted-for-water for the year was 12.7%. This shows a very good program of monitoring and metering of the overall system.

The borough is proceeding with an \$18 million water treatment plant to be built adjacent to the existing plant. This is being done to comply with state mandates. This project is being funded 50% by the state (N.J. Environmental Infrastructure Trust).

SEWER

The sewer system has a number of issues that need to be addressed. The borough was notified in January, 1997 by the Middlesex County Utilities Authority that the borough has an infiltration/inflow (I/I) problem and has directed that an I/I reduction program be instituted. If this is not done, the authority will limit permits to "construction only," thus creating a burden on the borough by preventing occupancy of new construction. The director has responded to this by doing a study of the costs associated with the identification of I/I by the borough. The borough has gone out to bid for this project and has received four bids of which three were non-compliant.

The borough has the equipment and the expertise to accomplish this task in-house. The borough's estimate ranged between \$192,000 - \$264,000. The qualified bid is \$210,000. The limiting factor to the borough doing this project is manpower. This can be addressed when the sanitation department revises its pickup schedule and men are available to be reassigned. The equipment to do this job is currently available and is not used because of manpower shortages. The jet truck used to clean sanitary lines prior to televising was purchased in 1993 for \$87,000. This equipment is designed to work in the sewer system to flush debris and buildup from sanitary lines and cannot be used to clean catch basins which requires a vactor truck to suction debris out (wood, bricks, stones, asphalt, and so on). This catch basin capability is a limitation that the DPW road division faces. The borough should reject the bids to hire an outside contractor to evaluate I/I problems and allow the DPW to do the work. This will enable the borough to develop the expertise to do this job in-house and then start a program of preventive maintenance. The existing jet truck should be replaced with a jet vactor truck that can be used by both departments. There is enough work to keep a crew busy doing both sewers and catch basins. The cost of such a truck would be approximately \$180,000. This can be offset by trading in the existing equipment for approximately \$40,000. The overall cost to the borough would be \$140,000. However, it will result in increased productivity. The other equipment needed for this project is a TV truck that the borough purchased in 1994 for \$110,000 and is presently underutilized.

Recommendation:

It is recommended that the sewer division undertake the I/I remediation program in house using employees released by sanitation and purchasing new equipment that is appropriate for cleaning both sewers and catch basins.

Cost Savings: \$16,000 if the borough undertakes the I/I remediation

Value Added Expense: \$180,000 (vehicle purchase)

One-time Revenue: \$40,000 (trade in of truck)

RATES

The water rates were set in 1990 and revised again in 1995. The rates should be adjusted every two years based upon an established policy of assuring that both the water and sewer operations are self supporting. The water operation generated a surplus of \$462,632, which is appropriate in light of the impending investment in a new water plant.

The sewer rates were last raised in 1992 to 9.29/1,000 cubic feet of water. The rates are determined by averaging the 1st and 4th quarter water bills that represent the two lowest water use quarters of the year. This factors out water usage that fails to reach the sewer system, such as lawn watering, car washing, pool filling. These rates are adjusted to reflect current costs. The sewer utility appears to have run a \$913,725 deficit in 1997. The borough should consider establishing sewer rates based on actual consumption. This would eliminate inequities in the current rate structure and generate revenue based on actual use.

Recommendation:

It is recommended that the borough council establish a policy that the sewer utilities also be self supporting. To meet this objective, the rates should be revised to implement consumption based billing or increase the existing rates as well as billing all users equitably.

Free users

The borough has chosen to exempt all schools, churches, public buildings and charitable organizations from being charged for water. This costs an average of \$88,000 per year (Ord. 14-16.4). To protect its interests, the borough should: 1) survey these users to ensure that the water that is being delivered is not wasted; 2) prepare and send out quarterly bills to these customers so that they are aware of the benefit the borough is providing them; and 3) the borough should review the bills to identify excess consumption. Since there are no water bills for these users, they also enjoy free sewer service.

Recommendation:

It is recommended that the borough review the applicable state and federal regulations to determine the legality of providing free service to churches and other non-profits and, further, that it send out quarterly bills to the entities that receive free service so that the consumption can be monitored and the beneficiaries are aware of the value of the service.

Free septic

Clean outs are provided by the borough for residents and businesses that are not hooked into the sanitary sewer system. The borough has decided to provide one free clean out per year per customer. The service is bid out to a private contractor. This year the cost is \$185 per clean out. The cost last year was \$6,660 for 36 clean outs. There are 53 businesses and residents that are eligible for this service so that the possible cost to the borough each year is 9,805. These businesses and residences do not pay the sewer charges that other taxpayers pay.

Recommendation:

It is recommended that the borough continue to contract for the clean out service but allow the residents to contract with another vendor if he or she so chooses and the resident would pay that vendor directly.

Cost Savings: \$6,660 - \$9,850

Overtime

Standby time is paid to two workers assigned at a rate of one hour per day straight time for weekdays and two hours straight time for holidays and weekends. The people are given a pager and must be available to respond to calls. All calls are verified by the supervisor who is on call and receives twice the number of hours' pay as the workers. This system assures the availability of a crew that can handle most events. Standby time cost the borough \$28,019 in 1997. Paying the supervisors for twice the number of hours equates to paying them double time.

Recommendation:

It is recommended that the practice of paying the supervisors at a different rate for stand by time be discontinued.

Cost Savings: \$7,000 (25%)

Water treatment overtime coverage for vacations, holiday and personal day coverage in 1997 cost \$31,259. This department has four plant operators that now cover a seven-day 24-hour workweek. There are two treatment plants in operation, Bordentown Road and Morgan. Both plants are scheduled to be replaced with a new treatment plant in 1999 and require constant attention.

The existing plants were designed to treat groundwater from wells. Fifty percent of the raw water treated comes from surface water sources. At this time, the operators must work an unconventional schedule so the water supplied to the community meets water quality standards.

Each operator works seven, eight hour days in a row then is off two or three days, changes shifts and returns. This causes the worker to work 48 hours every fourth week, which would be 88 hours in every other 14 day pay period at straight time. When an operator works on a Sunday they receive four hours additional pay while the contract calls for double time. When an operator works on Saturday they get straight time while the contract calls for time and a half.

The team recognizes the need for twenty four hour coverage seven days a week to operate these plants. A four day on, four day off schedule consisting of twelve hour work days would generate 2,188.8 hours per worker per year for a total of 8,755 hours.

The vacation, personal and sick days must be converted into hours to avoid trading eight hour days for twelve hour days. Collectively the four operators will earn 64 vacation days (512 hours) 12 personal days (96 hours) 52 sick days (416 hours) for a total of 1,024 additional hours off.

This will leave a gap of 1,029 hours and require that an additional plant operator be hired. This operator would be used to fill in for scheduled absences due to vacations and personal days. This person can also be used to start to catch up on deferred maintenance for these aging plants when he is the extra operator on duty.

The starting hourly rate for water treatment plant operators ranges between \$13.08 - \$13.74 per hour. Using the \$13.74 per hourly rate, the cost to hire a new employee would be \$28,597, plus benefits per year. Benefits would be between \$5-\$7,000 per year. This cost would be offset by the savings in overtime for vacation, personal, and standby days used in 1997 which totaled \$25,646. The team would also expect to see a drop in the sick time use due the nature of the four on, four off schedule.

Recommendation:

Switch to a four on, four off schedule and hire an additional plant operator.

Cost Savings: \$25,000
Value Added Expense: \$35,000

Billing

The utility employs a full time temporary and a part-time (19 hour) meter reader to read 12,000 meters throughout the borough at a rate of \$7.00/hour.

Readings are done by downloading utility billing information on each customer account into an interrogator unit (a hand held device that is taken into the field). This allows the person to walk a predetermined route and touch the device to the remote sensor on the home to capture water consumption data.

The data stored in the interrogator is then uploaded into the utility billing system to generate a quarterly utility bill. This produces a printout which is then reviewed by office personnel to see

if there are abnormal readings. High readings are indicators of leaks and the customer is notified. Low readings can be meter problems which results in a work order to check for a broken meter. Once an audit of each account is completed, the computer generates a bill.

The meters are about seven years old. The borough goes out to bid each year for meters so new customers can purchase meters for what the borough pays to connect to the water system.

Collection rates are 98%. The borough is split into three zones so that quarterly billing is split evenly over three months ensuring an orderly workflow. Fourteen of the largest accounts are billed monthly for water and sewer so that any outages or meter breakdowns are dealt with in a timely manner.

Recommendation:

Commercial customers should be read and billed monthly, which serves business customers better for bookkeeping purposes. This represents a customer service initiative that also improves cash flow for the water utility.

LIBRARY

The Borough of Sayreville appropriated \$837,500 to the library in 1997; circulated 156,534 books and other materials; and served a population of more than 36,000. A new library director was hired in January, 1996.

What has become evident through observations and a review of available records, is that focused knowledgeable leadership has made a difference in the services provided to the community by the public library in Sayreville over the past few years.

Expenditures

Based on the 1996 State Library Statistics, Sayreville Public Library expended a total of \$793,335 on operations. This translates to \$21.79 per capita. Libraries in the same population group of 25,000 - 37,000 expended an average of \$32.45 per capita and libraries in the same expenditure category of \$750,000 to \$1,000,000 expended \$46.35 per capita.

73% of the library's budget is expended on salaries and wages and 12% is expended on materials. The percentage salary expenditure is higher than the average of the same population and expenditure category and the percentage materials expenditure is lower than the average for the same population and expenditure categories.

Revenues

Again based on the 1996 State Library Statistics, reported revenues consisted of: \$759,100 in municipal tax support; \$32,799 in state aid and approximately \$9,000 in other revenues including fines and fees.

Circulation

The circulation per capita is less than the average for Sayreville's population and expenditure category. Circulation of materials has increased steadily from 1994 through 1997, for a total increase of 16%.

Collection

Sayreville's collection of materials was 85,266 in 1996, approximately 20,000 volumes less than the average for libraries in the same expenditure and budget category. The number of volumes per capita was 2.3, one and two less than the average of libraries in the same population and expenditure category, respectively.

The lower expenditures on materials are reflected in the addition of 3,656 items -- 2,500 and 2,000 fewer items than the average for libraries in the same population and expenditure categories.

During 1996 and 1997, the library director has taken several steps to address the need to provide a diverse and current selection of materials with limited financial resources. They included:

- Joining the Middlesex Union Reciprocal Association of Libraries, giving the community access to the resources of other libraries.
- Installing a new book security system to prevent the theft and destruction of library materials. The director estimated that the library had lost 5,000 items through theft in 1996. The cost of the new system was less than the conservatively estimated \$10,000 value of the materials lost in the one year.
- Going to small claims court for long overdue materials. This is not necessarily an initiative that is appropriate to all situations, however, it was estimated that they had \$12,000 outstanding in lost materials and a 5/10 return rate. Relying on a long standing, but previously unused ordinance, the library staff actively pursued the return of outstanding items through a systematic process which included phone calls, letters, and taking people to court. They have recovered \$8,000 worth of outstanding materials and improved the return rate to 9/10. In one of the bimonthly sessions there were 11 cases. Two of the cases (\$108) were collected before court and another \$500 was outstanding on the other 9 cases. Once they have gone through the entire process without receiving the books back the person is taken to court. The goal is to have the books returned.
- Implementing a rental collection for popular books, which generates revenues for the purchase of more popular materials.
- Getting a bulk loan of foreign language materials from Newark to provide materials choices representative of the population without spending materials money on very specialized items.
- Summer reading materials are identified sooner and maintained as a special collection to assure easy access.

The collection is weeded using an automation system generated list of materials that have not circulated in three years.

Library Hours

The library is currently open seven days and four evenings per week during the winter. In 1996, the library shortened the Saturday hours to provide funding for Sunday hours. This resulted in maintaining regular winter hours of 59 per week. An analysis of the daily hours demonstrates that Sundays have the highest hourly circulation at 79, with Saturday next and Monday after that. The change in hours, shifting hours from Saturday to Sunday, did improve weekend circulation. The average hourly weekend circulation increased from 130 in 1996, when the new hours were in effect for just 12 weeks, to 146 with the library open half days on both Saturday and Sunday for 42 weeks.

In addition to shifting hours, Sunday openings were accomplished cost effectively by contracting with a temporary agency which provides both professional and paraprofessional workers who participate in all of the activities required of regular employees. This was accomplished through agreement with the union and enabled the library to avoid paying overtime for Sunday hours.

Staffing

The current staff consists of four professional librarians; the director, two reference librarians and a children's librarian, and four full-time and four part-time paraprofessionals. Staff is used effectively in that, in addition to front line customer service responsibilities, all have appropriate back room responsibilities as well. This assures productivity despite fluctuations in the level of activity in the library. This is an exemplary practice as well, since it is very common for libraries to have separate staff for cataloguing and materials processing.

The library director changed the full time staff schedule to use them more efficiently.

The library director has identified several resources for additional support in maintaining and improving library operations, including:

- Using Confirmation class volunteers, as well as other adult volunteers, to do video checks, cut up scrap paper, pick up, organize tax forms, maintain the shelf list, and perform data entry.
- Using two people 20 hours per week from the county welfare employment program (CWEP). They have been used for graphics, calling for overdues, re-barcoding, and inventories.

Technology and Automation

Sayreville Public Library is a member of the Libraries of Middlesex Automation Consortium (LMXAC) and participates with 23 other libraries in a regionalized catalog, circulation and automation system for a cost of \$32,939 annually. In 1996 the library participated in a system upgrade to Windows NT for a hardware cost of \$25,000.

The library instituted public access to the internet in 1996 and it is considered to be very successful.

All new employees receive training on the system from LMXAC and all staff members will be trained in Windows 95 and internet searching at a minimum. In addition, two people will participate in the municipal training on word-processing, spreadsheet and database programs.

Level five wiring and cabling making the library a T1 site will be accomplished by the end of 1998. The library took advantage of a Telecommunications discount based on federal school lunch participation of 40% for universal wiring.

WELFARE

The welfare department is governed by a five member local assistance board (LAB) that meets four times per year. The board keeps the director abreast of happenings in the social service field as well as economic occurrences that might affect the population that the department serves. They see the population they serve as the “undeserved in the community” and they are trying to create opportunities that would benefit that population on a long-term basis. The welfare office is located in the basement of the borough hall and is open from 9:00 a.m. to 5:00 p.m. Monday to Friday.

According to the borough records, the welfare department expended \$34,424 in salary, \$6,464 in direct benefits and \$3,384 in other expenses, for a total of \$44,272 in 1997. The department also maintains and operates two Public Assistance Trust Funds (PATF). The PATFI is set up primarily to fund emergencies that are the financial responsibility of the local government. The balance for the past four years has been \$31,864. The PATFII is used to provide temporary rental assistance, emergency assistance, nursing home clients, medical, transportation, and client maintenance and is 100% reimbursed by the State Department of Human Services (DHS). \$101,143 flowed through this account in 1997.

Recommendation:

We recommend that the borough petition the New Jersey Division of Family Development to reduce the balance in the PATFI account to approximately \$2,000. This will produce a one-time revenue of approximately \$29,864.

Revenue Enhancement: \$29,864 (one-time)

Staffing

The department is staffed by one full-time director who has held the position since July 1, 1994. The welfare director has a masters in education, a certificate in social work, and is a Rutgers certified municipal welfare director. Along with these degrees and certifications, the director is a member of the Middlesex County Municipal Welfare Director’s Association (MCMWDA) and the New Jersey Welfare Director’s Association. In addition, the welfare director is the shelter coordinator for emergency management in Sayreville.

Services

A local welfare department's mission is to provide assistance to single adults 18 to 65 years old without dependent children, who require financial medical and pharmaceutical services. Sayreville's welfare department expanded its service definition to include serving all residents who require social services, employment assistance or other assistance. The welfare department provides the following support services:

- **Work First New Jersey:** This program provides job placements for general assistance recipients. Sayreville currently has one person on workfare. In 1997, there were as many as 12 people in the program. The potential placements of these individuals include the library, recreation department, municipal courts and public works departments. This program saved the borough \$13,969 in salaries in 1997.
- **Outreach:** The department director speaks at various clubs and organizations about the work of the public assistance department in Sayreville. Various social services brochures are distributed at the schools and throughout the community. The director makes an average of 46 referrals to the soup kitchen, thrift shops, shelters and other social service agencies each month.
- **Employment Resources:** The director actively maintains a relationship with the corporate community and solicits vacancies for a job bank that is maintained in the office. In 1997, this program averaged 33 job referrals per month.

Caseload

The department averaged 38 general assistance cases per month during 1997. This is 31% less than the 1995 average of 55 cases. In addition, the cases have dropped steadily over the year from around 47 to 27. As a result of the decrease in caseloads, there has been a reduction in the department's distribution of reimbursable general assistance funds. In 1997 the department spent \$101,143 in reimbursable general assistance funds. This is down from the \$190,178 that was distributed in 1995. The director attributes the reduction in general assistance cases to the fact that they actively sought to reduce the number of people on general assistance in order to serve them in another way. Another reason given for the reduction in general assistance cases was the improvement in the economy. The department recouped \$32,603 in social security and general assistance refunds.

The borough is commended for its diligent efforts in reducing the number of general assistance clients that it serves by actively referring and managing the cases.

Reorganization

In October of 1996, the LAB, along with the welfare director, studied the feasibility of merging the South River and Sayreville Welfare Departments. They concluded that merging would be too costly. Even though one welfare director would assume the duties of both offices, the increase in caseload would warrant the need for additional clerical help.

In 1997, the borough declined the offer to consolidate the local welfare department with the county welfare department. The savings that would have been realized in the consolidation is \$36,947. The borough had the opportunity to transfer services to the county under Work First New Jersey's recent legislative reforms. They chose not to do so, however, the savings that

would have been realized from the consolidation are significant. A check with the NJDHS established that even though the deadline has passed, the borough can consolidate with the county at any time. As in the prior cases the municipality has to file a municipal plan for consolidation with the NJDHS's general assistance consolidation coordinator.

Recommendations:

We suggest that the borough reconsider consolidation with the county.

Cost Savings: \$36,947

Barring consolidation, the borough's second best option would be to form an inter-local agreement with a neighboring municipality. For example, South River averaged 15 general assistance cases in 1997, while the borough averaged 38 cases. This is equivalent to the caseload handled by the Sayreville Welfare Office in 1995. Under shared services, South River would assume a proportion of the operating costs, or \$12,169.

Revenue Enhancement: \$12,169

RECREATION

The Sayreville Recreation Department organizes activities, which promote the health, safety, morals and general welfare of the community. Recreational activities are provided for children and adults. These activities vary from assorted recreational programs and athletic activities to special events and holiday celebrations.

In 1997, the department expended \$156,941 in salaries, \$30,662 in direct benefit costs and \$66,416 in other expenditures for total expenditures of \$254,019. Program fees and permit fees collected by the department totaled \$89,487 in 1997.

ORGANIZATION AND STAFFING

The department is headed by a part-time director of recreation, who is advised and directed by a 16-member recreation advisory committee. The current recreational director served as the supervisor of sports for over 19 years, and was appointed to the 20 hour per week position of director in May, 1997. The office is also staffed by two full-time clerk typists. The office staff primarily perform administrative functions such as collecting program fees, securing purchase orders, processing vouchers and payroll information, creating flyers, answering phones, issuing boat dock permits, and registering applicants for the picnic grove. A review of the work

performed by the clerical staff leads the team to conclude that the workload could be adequately managed by one and one half clericals. The remainder of the staff of the department are temporary recreational workers who vary based on the season and the programs that are offered.

In 1997, the department used 86 seasonal and temporary workers, including: one recreational aid, nine assistant recreational supervisors, 17 junior instructors, seven senior recreational instructors, 15 junior recreational leaders, 25 senior recreational leaders, six recreational teachers, and six recreation technicians.

The majority of the department's staff provides direct service, such as instruction. The ten assistant recreational supervisors, however, serve as intermediaries between the recreation department and the various independent athletic associations that operate in the borough. They schedule ball fields and umpires and referees for the games held by the athletic associations.

Recommendation:

Eliminate half a clerical position.

Cost Savings: \$14,767

PROGRAMS

Miscellaneous

28 miscellaneous recreational programs including arts and crafts, cooking, sports and special activities for toddlers and infants were offered in 1997. The cost of these programs totaled \$113,711 and revenues generated amounted to more than \$70,000. Participation in 1997 is reported to have been over 1,900. Miscellaneous programs generate approximately 78% of the department's revenues.

Special Events

The borough held approximately five special events during 1997. There was an Easter Egg Hunt, a Halloween parade, an Autumn celebration, a trip to Big Boulder, and a fishing derby. The total cost of these events was \$27,074 and revenues generated amounted to approximately \$2,500. Special events generate little revenue however, they are an excellent means of generating goodwill and developing community spirit.

Celebration of Public Events

This category includes seasonal celebrations. The borough's two main celebrations are the Fourth of July Celebration and the Memorial Day Parade. In 1997, the cost of the Independence Day Celebration was \$7,363 and the Memorial Day Parade cost the borough \$11,000, for a total of \$18,363.

Recommendation:

It is recommended that the borough seek corporate sponsorship for the special events and celebrations, which are an appropriate means of creating community spirit. These activities promote a tremendous amount of goodwill in town, which would in turn benefit corporate sponsors.

FACILITIES ADMINISTRATION

This category includes collecting boat dock and picnic rental fees as well as issuing boat permits. Total staffing and other expense costs for these activities totaled \$20,335 and revenues totaled over \$17,000. Facilities administration generates approximately 19% of the department's revenues.

ATHLETICS

There are six independent athletic leagues that provide athletic opportunities with the support of the Sayreville Recreation Department. They include: 1) Sayreville Little League, 2) Sayreville Athletic Association-Baseball, Softball, Basketball, 3) Sayreville Athletic Association-Soccer, 4) Sayreville Leprechauns, 5) Morgan Parlin Panthers, 6) Sayreville Little League.

The total cost to Sayreville of supporting the activities of the independent athletic organizations was \$104,819 in 1997. Sayreville currently collects no fees for these activities that are supported by the borough's donation of supplies, sports equipment and awards, as well as other services. In addition to this borough support, the associations collect participation fees, operate concession stands on borough property and receive donations and corporate sponsorship. A telephone survey and review of the financial statements of four of the six associations revealed sources of income which include: corporate sponsorship, concession sales, raffles, performance bonds, donations, interest income picnic fees, registration fees, tournament fees and sponsorships, dinners and advertising. Income for the associations exceeded \$275,000 in 1997.

The recreation department uses approximately eleven of Sayreville's 27 parks for its programs. These parks contain ball fields that are used by the independent athletic associations. The cost of maintaining these fields is \$15,965, which significantly increases the borough's contribution to Sayreville's independent athletic associations' activities. This brings the total support of the athletic programs to \$120,784.

Ordinance No. 344-94 outlines an agreement between the borough and the Sayreville Little League. The ordinance established that, over a period of twenty-five years, the Little League could use the borough property on paying a dollar and submitting an annual report. After further inquiry, the team discovered that the terms of the agreement were not being upheld and a copy of the lease agreement was not available.

Recommendations:

It is recommended that the borough make a special effort to find the agreement and assure that the proper signatures and required documentation are obtained.

It is recommended that the borough council, borough attorney and the recreation advisory committee develop a policy regarding the level of subsidy that is appropriate for the independent athletic associations based on the law, budget, participation and revenue. It is suggested that the borough's relationship with these associations be formalized in an agreement which gives the borough access to financial and participation records. Given this information, the council and committee will be able to determine program costs and set policy for a level of subsidy that the municipality is willing to support. In addition, the contract between the municipality and the independents associations shall require the submittal of an annual audit prepared by a certified public accountant or the municipality's outside auditor at the expense of the athletic association. Our recommendation is to decrease the subsidy for athletics to 50%.

Cost Avoidance: \$60,392

The recreation department cosponsors programs for the Sayreville Association for Brain Injured Children (BIC) with private sector organizations, such as the Knights of Columbus. In 1997, the borough provided \$14,500 in direct support under the Administration of Public Assistance and approximately \$2,400 in recreation program salary.

The recreation department also provides support to the American Legion baseball team, paying the sports league fees of \$200, and providing additional program support of \$910.

OFFICE ON AGING AND SENIOR CENTER

The Sayreville Office on Aging operates from a senior citizen center which pulls a variety of state, county, local and volunteer organizations together to create a vital and active hub of activity for the estimated 4,305 seniors of Sayreville. In 1997, the office on aging provided more than 66,355 units of service ranging from meals, to transportation, to recreational programs, to health and other support services at this location.

1997 expenditures consisted of \$146,793 in salaries, \$37,331 in direct benefits, \$106,691 in other expenses and another \$12,000 in other expenditures budgeted in a separate account for total costs of \$302,815. Not reflected in these figures are the costs of operating the Senior Citizen Center itself. Revenues generated from donations in 1997 amounted to \$942. In 1997, the department also received \$6,200 in safe housing funds. Total revenues for 1997 amounted to \$7,142.

Staffing/Organization

The department is headed by a seven member commission on aging. The senior planners, a group of approximately twenty working seniors, assist the director in implementing new programs. The department is staffed by a full-time director, who holds the title supervisor-senior center, a clerk stenographer, a clerk and an omnibus operator, who also work on a full-time basis. Part-time staff is comprised of an instructor, a clerk, and a driver. There is one seasonal employee who serves as an instructor. Paid staff is supplemented by three people provided by the National Organization on Aging (NOA) and a fourth individual who is provided through the Work First New Jersey program. These individuals provide instruction, clerical support, and janitorial services at no cost to the borough. The NOA positions are funded in the amount of \$12,503 by NOA.

The Senior Citizen Center

The senior citizen center is a renovated three story school building that was sold to the municipality for one dollar in 1985. The center is open from 8:00 a.m. to 4:00 p.m. Mondays through Fridays. On Mondays, Tuesdays, Wednesdays and Thursdays, the center is also open from 6:45 p.m. to 10:00 p.m. for meetings. Only the first two floors are used by seniors. The facility has a volunteer maintained library with an extensive collection of donated books, a fully equipped exercise room, a dance studio, arts and crafts rooms, a storage/conference room, an executive board room, a health office, a meeting room, and two kitchens that are often used by the community's many social clubs. This center provides a convenient location for the following site based services:

- **Nutrition Center:** A Title III funded, county run nutrition site operates at the center. Hot meals are served at the center on weekdays for a voluntary donation of \$1.50 to approximately 45 seniors per day. In 1997, a total of approximately 11,585 meals were served at the Sayreville site.
- **Instructional Classes:** Aerobics, line dancing, woodcarving, fabric art, plastic canvas, tai chi, computers, oil painting, and chorus classes were available at the senior center and reached approximately 5,482 participants in 1997.
- **Personal Assistance:** Volunteer experts were used to provide insurance counseling, income tax preparation, and assistance in completing forms for other government programs to 465 participants.
- **General Activities:** Bingo, card playing, exercise equipment and billiards are available throughout the day and were used by approximately 6,178 participants in 1997.
- **Health Services:** In 1997, 2,545 senior citizens participated in glaucoma, mammography, prostate and podiatrist tests, blood pressure screenings, health fairs, health education and flu immunizations. These programs are offered at the center, presented primarily through the cooperation of the County Health Department, which came to the site four times during the year.
- **Club Meetings:** Six senior citizen clubs meet weekly at the center. In 1997, there were approximately 15,080 visits by participants who used the facility for club meetings.
- **Recreation:** Parties, a variety show and movies were attended by 1,100 participants.

The borough is commended for effectively operating an attractive facility which has been creatively adapted to the needs of the seniors in the community and which accommodates a large variety of programs that are popular with the senior population.

Transportation

Prior to 1996, the borough operated a door-to-door transportation system for medical, nutrition, recreation and shopping purposes for an estimated direct cost of \$103,057 and indirect staff time costs of \$20,314 and produced 20,078 trips for a per trip cost of \$6.14. After estimating a cost savings of more than \$40,000, the borough contracted for the provision of its senior transportation services with the Middlesex County Area Wide Transportation System (AWTS) beginning in 1997, for a 1997 cost of \$85,836. AWTS provides transportation to and from medical, nutritional and social service facilities including county nutrition programs, bingo, general and grocery shopping, as well as other recreational activities. The AWTS program provided 23,920 trips for a unit cost of \$3.59.

One reason Sayreville did not realize savings in its office on aging operation from contracting with the county was that they created a secondary loop bus system costing \$38,706 in salary and benefit costs, \$7,901 in bus maintenance costs and an estimated \$1,000 for fuel for a total cost of \$47,607. The "Around the Town Bus" provided 4,889 trips for a unit cost of \$9.74.

Because the new configuration increased the level of service provided by 8,731 trips or 43%, the composite per unit cost was decreased to \$4.63.

A second reason cost savings were not realized is the fact that the analysis included staff time savings of an estimated 18 hours per week and that time savings was not reflected in staff reductions.

A third reason for the failure to realize actual savings was the retention of extra vehicles. The department operates two buses and a van for the around the town loop. In 1997, the maintenance cost for the buses and van amounted to \$7,901. The department also has a 1982 bus that it uses only once a month. In 1997, the bus incurred \$1,801 worth of maintenance costs.

Recommendations:

It is recommended that the borough council seriously evaluate its objectives in contracting with the county for senior transportation services. At a minimum, the extra buses should be disposed of and the equivalent of a half time clerical should be cut from the payroll.

**Cost Savings: \$4,597 for the part-time clerical and \$1,801 for the extra bus
Revenue Enhancement: (one-time for sale of vehicles) \$43,000**

It is further suggested that the loop be cut completely in order to provide all transportation services at the most cost effective rate.

**Cost Savings: \$47,607
Cost Avoidance: \$12,915 for new radio equipment**

One rationale for the institution of the loop service was a concern that the wait for medical visits could be increased from one to three weeks if Sayreville residents had to rely solely on the county transportation system. The contract with the county does not specify either level or quality of service and bases costs on Sayreville's previous costs rather than on an estimate of actual or normal per trip costs.

Recommendation:

It is recommended that the contract be renegotiated to provide for a level of service, a per unit cost and performance criteria.

Safe Housing

Sayreville received a \$6,200 safe housing grant that enabled the office on aging to distribute \$500 to ten seniors for security improvements to their homes. \$1,200 of the grant was allocated to defray the costs of the administrative support required.

Sayreville is commended for making use of resources available and for assuring appropriate reimbursement of the administrative costs of grants.

CODE ENFORCEMENT AND INSPECTION

Sayreville's code enforcement and inspections department administers and enforces state law as it relates to construction, alteration, renovation, rehabilitation, maintenance, occupancy and use of buildings and structures and also encompasses the zoning, fire prevention and vital statistics functions. The department is temporarily headed by the business administrator because the previous department head had left under allegations of wrongdoing.

In 1997, total staffing of the department consisted of three full-time and ten 19-hour per week employees. Salary and benefits for 1997 amounted to \$278,459 and other expenses amounted to \$36,920. Expenses associated with the maintenance of three vehicles in 1997 were \$1,029, thus, all operating expenditures totaled \$316,408.

Collections yielded \$311,437 in UCC and zoning fees and \$7,235 from the registrar for a total of \$318,672.

Office	S&W	OE	Revenues	Surplus/Deficit
Construction/Zoning*	\$236,268	\$ 36,920	\$311,437	\$38,249
Registrar/Health	\$ 42,201	- 0 -	\$7,235	(\$34,966)
Total	\$278,469	\$ 36,920	\$318,672	\$3,283

*Note that construction includes plumbing subcode

Construction Office

In 1997, the construction office issued 1,242 permits and performed 5,072 inspections. The construction office was staffed by a part-time code enforcement officer, a full-time technical assistant and three part-time clerks in 1997. The field work was performed by a staff of six part-time inspectors. This staffing totals to 5.5 FTE not including the use of temporary workers at peak times. During 1997, the office employed five such workers. DCA performed a staffing analysis in March of 1998, which recommended a staffing level of 6.0 full-time equivalents (FTE). It appears that Sayreville adequately meets this recommended staffing level using a very flexible staffing configuration.

Observations revealed the construction office staff to be friendly, knowledgeable and energetic about their work. Currently, the office has 2.5 FTEs. The DCA staffing analysis calls for only 2.0 FTEs in the office. The office provides support to the zoning and registrar functions and, thus, the additional part-time position appears warranted.

The construction office uses a comprehensive brochure that succinctly presents critical information such as hours of operation, permit requirements and procedures. The flyer is an especially useful tool in a busy office primarily staffed by people who are out in the field.

The construction office staff is commended for developing a means of efficiently addressing the information needs of its customers through an informative brochure.

	Permits			Certificates		
	'95	'96	'97	'95	'96	'97
New Construction	95	133	159	168	73	115
Additions	36	45	26	14	2	2
Alterations	852	919	1,016	250	5	20
Demos	7	38	41	2	0	1
	990	1,135	1,242	434	80	138

Due to the high volume of applications, the team noted a backlog in the filing and storage of records. Interviews and observations revealed a frequent need to track the location of files and the general status of applications. During the review, the team noted the following recurring complaints:

- **Staff was reluctant to work together:** Repeated complaints were made about the working, assisting, or doing the work of other offices within the department.
- **Backlog in certain permits:** Building permits expire and applicants forget to schedule final inspections.

The office uses the NJ DCA's UCCARS I System, an accounting and record-keeping system designed specifically for local code enforcement operations. The team reviewed database files and activity reports and found that the system is only being partially used. For example, they are not entering information on the certificates such as dates or permit status. There is a newer system, UCCARS II, which could provide even more productivity enhancements than currently

available. There is no cost to the locality for the system and the state offers free training to the staff. This system would provide the department with comprehensive records of all activities and would replace a significant portion of the office's manual record keeping activity. This would further enable the department to eliminate one part-time clerical position and, thus, realize a \$11,047 savings in salary and wages. Initially, additional time would have to be invested in completing the department's current computer records. It is estimated that approximately two hours per day for two months would be sufficient to bring the computer records of the department up-to-date. Time invested in this task would cost approximately \$891.

Recommendations:

Sayreville is urged to make maximum use of the UCCARS system including upgrading to the more advanced UCCARS II system. It is a management tool that facilitates the processing and sharing of information.

**One-time Value Added Expense: \$891
Cost Savings: \$11,047**

It is recommended that a procedure for follow up be developed. It could be as simple as printing out a monthly list of older projects for the inspectors to inspect within a specific time frame.

Planning and Zoning

In 1997, the zoning office issued 809 permits and collected approximately \$21,871 in revenues. The office was generally busy and there was a noted backlog in filing. The zoning office staff consisted of one full-time official and one part-time inspector. The zoning official reports that an inordinate amount of time is spent tracking down possible zoning violations called in by residents. Significant staff time is also spent helping residents fill out forms and get prepared for board meetings. However, neither of these activities are tracked. The following is a list of the department's 1997 permit activity as taken from department records:

	Permits
Curb	42
Fence	237
Sign	114
Zoning	416
Total	809

Recommendations:

It is recommended that a form be created that will guide the applicant through the application and the application process.

It is recommended that the clerical staff of the construction office be trained to assist the residents with the zoning process and assist in maintaining the zoning office records.

Cost Savings: \$6,916

Registrar

During 1998, the borough registrar/registered statistician retired. The registrar worked 50% on work related to the registrar/board of health, 10% on work related to the fire department and 40% on work related to the fire prevention department. Since the registered statistician's retirement the function is being performed by the part-time clerks in the construction office.

The office issues birth, marriage and death certificates/licenses and registers health complaints made by borough residents. Complaints are referred to the county health officers who follow-up with the health inspections. The registrar also provided clerical support to the fire and fire prevention functions. A review of the 1997 office activity established that 4,121 permits and licenses were issued. Revenues collected amounted to \$12,375.

Activity	Quantity
Burial Permits	305
Death Certificates	2,818
Marriage	792
License/Surcharge	
Birth License	17
Food License	187
Miscellaneous License	2
TOTAL	4,121

Recommendation:

It is recommended that all clerical support functions of the department be consolidated and that all clerical staff be cross trained.

PLANNING

The planning function for the Borough of Sayreville is contracted with the firm, Heyer, Gruel and Talley, (formerly Moskowitz, Heyer and Gruel) and Thomas Sheehan. Heyer, Gruel and Talley is the contracted planner for the planning board and Thomas Sheehan is the community development program administrator and the planner for the board of adjustment. The cost of contracted services for 1997 amounted to \$58,758 and \$48,049, for Heyer et al. and Sheehan, respectively. In addition, Heyer, Gruel and Talley charged \$10,000 for completion of the master plan in 1997.

The borough's last master plan had been completed in 1986. In 1992, the borough began development of the current master plan. The plan, dated March, 1998, took six years to complete and cost the borough approximately \$52,000. Currently the borough is undergoing the ordinance review process in order to assure that the relevant zoning ordinances conform with the new master plan.

The reason the borough has two planners is unclear. There was only one planner prior to the late eighties and the early nineties, Thomas Sheehan. Mr. Sheehan reports that he is mainly involved in the management and administration of the borough's Community Development Block Grants (CDBG). The CDBG grant awards for the last five years were:

Year	Amount
1998	\$196,000
1997	\$202,000
1996	\$205,000
1995	\$210,000
1994	\$212,000

Each year's grant is usually dedicated to public works, recreation and fixed income housing rehabilitation projects. Approximately 43% of his billing was CDBG work, which involves complying with federal reporting requirements. The remainder of the time billed was for work for the Zoning Board/Board of Adjustment. Sheehan's work on the board is more planning oriented and is the type of work that he does for 13 other municipalities in Middlesex County.

Board of Adjustments: This board is responsible for hearing and deciding issues that are related to the borough's zoning ordinances. There are seven board members and two alternates. The board's salaried staff includes a full-time secretary and a part-time secretary. The 1997 costs, inclusive of benefits, for the board staff totaled \$10,704.

Planning Board: This board is responsible for the preparation and review of various programs, plans and applications under the New Jersey Municipal Land Use Law. There are nine appointed members and three alternates. Among the board's salaried staff there is an attorney, secretary and a recording secretary. The 1997 costs, inclusive of benefits, for the board staff amounted to \$25,034.

Recommendation:

Now that the borough has completed its master plan, it should work on improving economic development strategies. Since there is no longer an industrial commission, it is recommended that the borough aggressively work with its newly established redevelopment agency to promote land sales in its industrial areas and work to attract new commercial and industrial development within the community. Merging the planning and zoning functions is recommended to develop residential and economic plans, which are efficient and effective and fit within the borough's current community profile.

ENGINEERING

The engineering function in the borough is contracted to the firm CME Associates with David Samuel as principal engineer. The firm does all the civil engineering work that is primarily generated by the public works, water and sewer departments, as well as the zoning and planning boards. Other special engineering work, such as, soil, environmental, electrical and mechanical are also contracted out. In 1997, contract costs for civil engineering work amounted to \$803,821.

Recommendation:

It is recommended that the borough consider hiring an in-house engineer to be responsible for routine engineering work and for managing the costs and quality of the engineering work performed in the borough.

Value Added Expense: \$100,000 for an engineer, office and support staff

FIRE PREVENTION BUREAU

Sayreville's fire prevention bureau provides inspections for state mandated and defined life hazard uses, as well as locally defined uses. In addition, they work with the volunteer fire companies on fire investigations and provide fire prevention education during fire prevention week in October of each year.

The cost of operating the fire prevention bureau was \$58,139 in 1997 and revenues collected totaled \$73,180.

Chapter 15 of the Municipal Code adopts, for local enforcement, the provisions of the State Uniform Fire Safety Act and the Uniform Fire Code. There are 302 life hazard uses and 389 uses designated for annual inspection by local ordinance. The bureau performed 684 inspections and 481 reinspections. On violation of the code, a thirty day grace period is given and then the structures are re-inspected. Penalty notices are issued for fire hazards not corrected on subsequent inspection. If violations are not abated, court appearances may be warranted and in 1997 there were 39 court appearances. In addition to the routine inspection process, the bureau registered 83 new businesses.

In 1997, the bureau responded to 96 fires and of those 41 were call outs for the purpose of assisting the fire department with fire investigations.

Staffing and Organization

The bureau is open Monday through Friday 8:00 a.m. to 4:00 p.m. and is staffed by one full-time fire official, four part-time fire prevention specialists working a total of 850, hours and a part-time clerk typist.

There are four types of life hazard uses, with fees that vary from \$35 to \$414. The local enforcement agency receives 65% of fee payments and the state receives the remaining 35%. Depending on the local registrants' size and use group, they pay \$20 or \$25. The borough retains 100% of the local fee payments.

The fire official expressed concerns about using part-timers. However, the team did not find any evidence that it was negatively impacting productivity. The office completed the appropriate number of inspections and revenues exceeded projections. In October of the preceding year, the state projected income from life hazard use payments. Reports from the New Jersey Division of Fire Safety indicate that Sayreville collected \$55,712, which was \$1,905 or 4% more than the division had projected for 1997.

The fire official reports that local registration payment records were maintained by the now retired clerk. Since her retirement, he has been trying to maintain the system and has now become fully aware of its deficiencies. The official complained of lack of clerical staff in doing the things necessary to improve the system. He feels that he does not have the commitment of the part-time clerks from the construction office. The team identified the following deficiencies in the records relating to the local registrations:

- there is no consistent key as to which registrants are still in business, or
- when the registrant first entered the system, or
- change in business name, or
- which year the registrant paid and which year the registrant is paying for.

Review of the records indicates that there were 146 delinquent registrants with lapses of one to four years. Estimated uncollected current year revenues from these registrants is \$4,560. The local ordinance authorizes the fire official to follow the enforcement procedures outlined for life hazard uses in the Uniform Fire Safety Act. The 146 delinquencies mentioned above had not even been identified for notification of failure to pay.

N.J.A.C. 5:70-2.12(v)8ii of the Uniform Fire Safety Code, provides that failure to pay the required annual registration fee for life hazard uses when due can result in penalties in an amount equal to the applicable registration fee. In the case of the borough, this represents between \$29,200 and \$146,000 in potential penalties.

Recommendations:

Establish an accurate record keeping system that flags registrants for notices and follow-up to assure compliance and train appropriate clerical staff in the procedures.

Revenue Enhancement: \$4,560 annually

Notice of non-compliance for life hazard registrations should be served in timely fashion and penalties duly specified.

Revenue Enhancement: \$29,200 - \$146,000

HEALTH

The health program is administered through a county inter-local agreement. Revenues generated by this department amounted to \$5,140 in 1997. Expenses incurred by this department amounted to 50% of the position value of the vital statistician, plus the value of the other positions vacated in 1997 or \$45,622. Other expenses incurred by the department in 1997 amounted to \$198,155. Accordingly, total expenses for 1997 were \$243,817.

The health function is governed by a seven member board whose jurisdiction is compliance with the ordinances and state laws, which cover the health of the borough residents. The county offers the borough the following programs and services: retail food establishment inspections, environmental inspections, swimming pool/bathing areas, staffing, public health nursing services, health education activities, dental health program, environmental program, air pollution control program, radon program, noise pollution program, solid waste program, recycling program, water pollution control program.

The office is staffed by two county licensed sanitary inspectors. During the first part of 1997 (January - June), there were two school nurses on staff. When the positions were vacated, they were not filled. This cost \$16,661 in 1997 and the function is currently being performed as part of the contract with the county.

The two licensed sanitary inspectors, that are housed in borough hall, inspect retail food establishments in Sayreville and neighboring towns. There are approximately 198 retail food establishments in Sayreville and they inspect each establishment twice a year. They also study the flow of food in the establishment. In addition to retail food establishments, seven pools, a kennel, two camps, a warehouse, nine daycare/nursery schools, and six schools are inspected.

The inspectors also track hazardous material incidents and do follow-up inspections.

The county health department distributes: flyers; notifications of violations, public health alerts, septic management reports, hazardous/material reports, solid/waste/recycling reports, noise pollution reports, air pollution reports, and water pollution reports. They also send out hazardous material emergency response units, clinics, immunization programs, screenings and health education programs, as well as training programs.

Other programs that are offered by the county at multiple locations include: adult health services, child health conferences, communicable disease information, environmental health programs, health education maternal/child health, improved pregnancy outcome, preschool immunization, childhood lead poisoning prevention, HIV care consortium, sexually transmitted disease information, special child health services, food sanitation course, and mammography screening information.

III. COLLECTIVE BARGAINING ISSUES

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally, through a well conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason we present those issues subject to collective bargaining agreements separately in this section.

COLLECTIVE BARGAINING AGREEMENTS

Five collective bargaining units operate in Sayreville. Two PBA locals represent the police and the police superior officers and two AFSCME locals represent the police communications operators and blue and white collar workers. The Sayreville Association of Municipal Supervisors represents the blue and white collar supervisors.

AFSCME/SAMS

AFSCME Local 3527 represents more than 140 blue and white collar employees of the borough. The Sayreville Association of Municipal Supervisors represents blue and white collar department heads and supervisors, with the exception of the tax assessor, the deputy tax assessor and the director of the water and sewer utility. The provisions of the two contracts, which cover January 1, 1994 through December 31, 1996, are similar and are, therefore, discussed together.

Sick Leave: Employees covered by the AFSCME and SAMs contracts receive one day of paid sick leave for each month of service in the first year and then 16 days annually, thereafter. In addition, employees are allowed to use three of the sick days for personal reasons. Comparing this policy to the state, a state employee would receive a total of 447 personal and sick days over a 25 year period. 372 of those days would be eligible for carry over as sick days and 75 personal days would be required to be used in the years earned or lost. Sayreville's blue and white collar employees receive a total of 396 days in the same 25 year period and all 396 can be carried over. The contract includes a very conservative sick leave payout which mitigates the impact of having more days eligible for carryover. The payout at the employee's current salary is 25% of accumulated leave for employees with less than ten years and 50% of accumulated leave for employees with ten or more years, with a maximum payout of \$10,000. In addition, if there are more than 125 days accumulated, the excess can be paid for at a rate of \$35 per day up to the maximum of \$10,000. SAMs employees receive \$45 per day for the unused days after 125.

Sayreville is commended for negotiating a relatively conservative sick and personal leave policy. Combining personal and sick time for a total of 51 fewer days off in a 25 year career can be estimated to have a savings value of \$31,994 annually for 107 active AFSCME and 11 active SAMs members.

Vacation Leave: Blue and white collar workers and supervisors receive 12 vacation days through the first five years, 15 for the sixth through tenth year, 20 for the eleventh through fifteenth year and 25 for 16 years and more. This equates to 35 more days than the state grants over the course of a 25 year career and equates to a value of \$21,225 annually. Up to one week of vacation may be accumulated for employees with ten years or less and two weeks may be accumulated for employees with more than ten years. The current cost of the liability of the additional week, if the 68 eligible AFSCME and the 11 eligible SAMs members all carried the extra week over, is \$53,308.

Recommendation:

It is recommended that the borough renegotiate the vacation benefit to be consistent with the state. The current value of the additional benefit can be estimated as: \$21,225.

Cost Savings: \$21,225

Call in Pay: Employees are entitled to two hours of pay for being called in, in addition to appropriate pay for the hours actually worked. This means that if an employee is called in and works two hours of overtime the employee will get paid 2.5 times his/her salary for the two hours.

Recommendation:

It is recommended that the call in pay be changed to a minimum of two hours that is paid at the appropriate rate and that if a person is called in they work a minimum of two hours.

Salaries/Longevity: Employees received annual increments of 3%, 4% and 4.5% in 1994, 1995, 1996, respectively. All AFSCME blue and white collar and SAMs members receive 2% longevity after five years. This benefit cost the borough \$73,059 for these unions in 1997. The annual raises layered on an eight step scale mean that an employee in the third year went from an estimated 1993 salary of \$23,449 to salary and longevity of \$29,764 in 1996. This calculates to a 25% increase in a three year period. The estimated cost for the employees who would become eligible for the first layer of longevity benefits next year is \$5,429.

Recommendation:

It is recommended that longevity be negotiated out of the contract. It is further recommended that the impact of steps and cost of living increases and longevity be looked at together in order to encourage the development of a rational compensation package, that is fair to both the employee and the taxpayer.

Cost Savings: \$5,429

Terminal Leave: The borough was successful in negotiating terminal leave out of the contract for people hired after January 1, 1990. For the employees hired prior to 1990, terminal leave consists of one month's pay for each five years worked. Thus, an employee retiring after 25 years would receive five months pay. The SAMs contract provides one month's pay for each five years of service to employees with ten or more years of service.

Recommendation:

The borough is encouraged to negotiate terminal leave out of the SAMs contract as well. The liability as of January 1, 1998 for this benefit is more than \$4,000.

Cost Savings: \$4,000

Uniforms: Uniforms are provided and maintained by the borough for a cost of \$8.25 for rental and maintenance or \$7.25 for rental, with no cleaning per person, per week, or \$429/\$377 per year.

Sayreville is commended for limiting the cost of uniform supply and maintenance by contracting for this service.

COMMUNICATIONS OPERATORS

In 1997, AFSCME Local 3527 was the collective bargaining unit for nine full-time public safety telecommunicators. The contract ran from January 1, 1994 through December 31, 1996.

Sick Leave: Employees receive 16 days annually, accruing 28 more sick days over a 25 year career than the state allotment would accrue.

Recommendation:

Reduce sick leave to be consistent with the state policy.

Productivity Enhancement: \$37,319 annually

Personal Leave: Four days of personal leave are granted in addition to sick days.

Recommendation:

It is recommended that the personal days be reduced to three annually, which is the state standard for this type of leave.

Productivity Enhancement: \$1,333

Vacation Leave: Vacation days exceed the state allotment over 25 years by 145 days by increasing to 28 days after ten years.

Recommendation:

It is recommended that the vacation allocation be reduced to be similar to the state.

Productivity Enhancement: \$7,730 annually

Holiday Pay: Communication operators are paid for thirteen holidays at base pay, in a lump sum, by December 8th. In addition, if they work the holiday they receive time and one half pay. This equates to 2.5 times pay for working the holiday.

Recommendation:

It is recommended that overtime for working days already being paid for through the holiday allowance be eliminated.

Cost Savings: \$5,776 by eliminating overtime pay for holidays

Longevity: All members receive 2% longevity after five years. This is in addition to annual increments of 3%, 4% and 4.5% in 1994, 1995, 1996, respectively. This benefit cost the borough \$5,347 in 1997.

Recommendation:

The borough is encouraged to eliminate longevity from the collective bargaining agreement and treat it as an annual bonus that does not affect salary or pension benefits.

Cost Savings: \$5,347

Compensatory Time: Employees may choose time and one half compensatory time for up to 16 hours annually instead of overtime payment.

The borough is commended for limiting the amount of compensatory time available.

Uniforms: The employees are given a \$650 clothing allowance paid directly to the employee and \$100 for maintenance of the uniform. In addition, the borough is required to replace any uniforms destroyed in the line of duty.

Recommendation:

It is recommended that replacement and maintenance of uniforms for the communication operators at minimum, require reimbursement based on receipts, or be handled by a quartermaster program as described below under the PBA contract.

Cost Savings: \$2,700

Meal Allowance: They receive a nine dollar meal allowance after working more than ten hours in one day.

Recommendation:

It is recommended that a meal allowance, when necessary, be based on receipts and a not to exceed amount per meal.

PBA

The PBA Local 98 represents the 52 patrol officers and detectives and 22 sergeants and lieutenants of Sayreville. Captains' benefits and compensation track the two collective bargaining agreements without any written agreement and the chief serves under an individual contract.

Sick Leave/Personal Leave: Employees covered by the PBA contracts receive 16 days of sick leave annually. Employees are allowed to use four of the sick days for personal reasons and receive two personal days in addition to sick leave.

Comparing this policy to the state and standard leave policies in other local governments, a state employee would receive a total of 372 sick days and 75 personal days over a 25 year period. Sick days would be eligible for carry over. PBA members receive a total of 400 sick days and 50 personal days in the same 25 year period.

Because the schedule provides for less days worked, the total paid sick leave allowed is greater than standards. Because the police officers work 10 hour days and sick and personal time is recorded in days rather than hours, the value of this benefit is considerably higher than that of the state. Each police officer receives 1,371 more hours of sick and personal leave per year. With 77 officers and detectives averaging \$26.42 per hour this amounts to an average annual cost of \$110,261.

Recommendation:

It is recommended that sick time be negotiated to be consistent with the total number of hours provided by the state.

Productivity Enhancement: \$110,261

The contract includes sick leave payout at the employee's current salary of 50% of accumulated leave with a maximum of \$20,000.

Recommendation:

It is recommended that the maximum payout be reduced to \$15,000 consistent with state policy.

**Cost Savings: up to \$5,000 per retiree; technically reduces the liability by \$380,000.
Based on the current number of police personnel.**

Vacation Leave: Members receive one vacation day per month in the first year, 14 for the second through fifth year, 21 for the sixth through tenth year and 28 for 11 years and more. This equates to one hundred and forty three more days over the course of a 25 year career. Taking into account the fact that police officers work a ten hour day versus the state norm of a seven hour day and time is accounted in days rather than hours, the difference is 2,780 hours. Taking the average salary of \$26.42 per hour times 2,780 hours amounts to a productivity loss of \$223,281 annually.

Recommendation:

It is recommended that the borough renegotiate the vacation benefit to be consistent with the total hours provided by the state and other local governments. The current value of the additional benefit is estimated to be \$223,281 annually.

Productivity Enhancement: \$223,281

Vacation Pay: After fifteen years of service, members are entitled to an additional seven working days' pay to be paid on December 8th. This benefit cost almost \$70,000 in 1997.

Recommendation:

It is recommended that payment for seven days vacation after fifteen years be negotiated from the contract.

Cost Savings: \$70,000

Terminal Leave: Members receive terminal leave consisting of one month's pay for each five years worked. The current liability for this benefit at 1997 salary rates is estimated to be more than \$1,000,000. Of that amount, \$210,823 is for police officers with more than 20 years in the department.

Recommendation:

The borough is encouraged to negotiate terminal leave out of the PBA contracts.

Cost Savings: \$62,000

Uniforms: Members receive \$875 for uniform maintenance and replacement. Using a program, whereby worn out uniforms are replaced through the department, the New Jersey State Police spend just \$300 per trooper. At a minimum, the allowance should be based on receipts for maintenance and replacement.

Recommendation:

It is recommended that the borough adopt a system that controls replacement of uniforms and bases expenditures for uniforms on actual costs. This could be done through either an in-house quartermaster program or through reimbursements based on receipts. It is estimated that this would reduce costs by at least \$300 per officer.

Cost Savings: \$23,400

Salaries: The most recent PBA contract awarded a 4% raise in 1995, and 5+% in 1996. In addition, the salary scale includes six steps and longevity begins at the fifth step. These three factors combine to produce significant salary increases without being tied to performance or changes in the cost of living. An employee in his/her second year in 1994 received an increase of 50% including 2% longevity that applies after five years over the three year period of the contract. A veteran of ten years at the beginning of the contract will receive a total of 11% in raises and an increase from four to six percent longevity after the tenth year. The 1997 cost of longevity was \$214,204.

Recommendation:

It is recommended that longevity be negotiated out of the contract. It is further recommended that the impact of steps and cost of living increases and longevity be looked at together in order to encourage the development of a rational compensation package.

Cost Savings: \$12,029

Life insurance: The twenty thousand dollar insurance policy for police officers should be dropped in light of the fact that they receive 3 1/2 times their salaries through the pension system.

Recommendation:

Negotiate termination of the life insurance policy for police officers.

Cost Savings: \$25,264

HEALTH BENEFITS

The borough participates in the state health benefits plan. There is currently no premium co-pay. The total costs to the borough for the various health benefits are:

- Medical - \$1,069,147
- Prescription - \$232,046
- Dental - \$185,798
- Vision - \$31,334

Recommendation:

It is recommended that the borough negotiate a 20% premium co-pay on any coverage above single coverage for health insurance.

Revenue Enhancement: \$122,816

IV. SHARED SERVICES

Tremendous potential for cost savings and operational efficiencies exists through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify the existing and potential efficiencies available through the collaborative efforts of local officials in service delivery, in an effort to highlight shared services already in place and opportunities for their implementation.

Sayreville has, in recent years, sought cost savings opportunities, with some success, through regionalization and sharing services. Some areas where shared services or regionalization have been successful are:

- Contracting with the county for health services.
- Garbage and recycling which is provided to the schools by the borough without charge.
- The schools purchase fuel through the borough's DPW.
- Contracting with the county for senior transportation services.

The borough is encouraged to pursue or continue to pursue cooperation with other entities for:

- Regionalizing welfare with the county.
- Sharing court services with South Amboy.
- Contracting in cooperation with the school district for lawn services.
- Sharing vehicle maintenance services between schools and the borough.
- Sharing information technology staff with schools.
- Purchasing supplies cooperatively with the schools.

V. STATUTORY AND REGULATORY REFORM

The fifth and final section of the report, Statutory and Regulatory Reform, attempts to identify those areas where existing state regulations or statutory mandates are brought to the attention of the LGBR review team by local officials which appear to have an adverse effect on efficient and cost effective local operations. It is common for local officials to attribute high costs and increased taxes to “state mandates.” Each review team is then charged with reporting those areas in this section of the report. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

Fire Training

It was noted by the team during interviews with all fire officials that the major problem in recruiting and retaining new members are the state mandated training requirements. No one stated that they wanted to go back to the days before standards were in effect but, all pointed out the problem facing members finding the time to comply with the training. It was pointed out the lack of flexible training opportunities and the lack of concern of the training academies as to the time of the recruits. Examples were given of classes that were to end at 10:30 p.m. going till midnight as a common occurrence. It was also noted that while the state mandates the training, the counties run the academies, and there were no opportunities for people who work nights (very valuable) to go to training because the classes were given at night.

LOCAL GOVERNMENT BUDGET REVIEW TEAM

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George DeOld, Local Government Budget Review
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Richard Richardella, Local Government Budget Review

APPENDIX B

Custodial/Staff/Service Costs						
Building	Full time	Part time	Total	Square Foot	Salaries & Benefits	Labor per square foot
Police	1		1	52,565	\$47,241	\$ 0.90
Borough Hall	1	1	1	21542		
Civic Center				6084		
DPW				8557		
Total			2	36183	\$62,192	\$ 1.72
Senior Center	1	2	3	49314		
History Society				3889		
Total				53203	\$75,758	\$ 1.42
Library		1	1	18984	\$14,560	\$ 0.77
Total Salaries & Benefits				160,935	\$199,751	\$ 1.24
Cleaning Costs					\$9,823	
Total Costs					\$209,574	\$ 1.30